Ebro Puleva, S.A. CONSOLIDATED GROUP

Balance sheets at December 31
(thousands of euros) (Notes 1, 2, 3 and 4)

ASSETS	12/31/04	12/31/03
Fixed assets	**1,066,793**	**1,038,831**
Formation expenses (Note 5)	**721**	**2,255**
Intangible fixed assets (Note 6)	**88,609**	**71,669**
Tangible fixed assets (Note 7)	**830,527**	**838,275**
Land and buildings	384,793	410,002
Plant and machinery	1,124,057	1,224,742
Furniture and fittings, tools and equipment	37,798	49,792
Payments on account & tangible fixed assets under construction	26,650	18,015
Other tangible fixed assets	28,938	30,708
Provisions	(3,514)	(2,913)
Depreciation	(768,195)	(892,071)
Investments (Note 8)	**146,524**	**121,589**
Equity investments in non-consolid. Group Companies	234	8,221
Loans to non-consolid. group companies	11,140	0
Equity investments in companies recorded by equity method	12,722	3,929
Other loans	14,760	21,401
Long-term deposits and guarantees	6,635	306
Other fixed-interest securities	341	390
Provisions	(3,938)	(3,345)
Long-term deferred tax asset (Note 22)	104,630	90,687
Shares in the parent company (Note 12)	**412**	**5,043**
Goodwill on consolidation (Note 14)	**196,019**	**80,190**
Fully-consolidated companies	196,019	80,190
Companies consolidated by the equity method	0	0
Deferred expenses (Note 9)	**6,649**	**5,919**
Current assets	**912,356**	**927,794**
Inventories (Note 10)	406,032	380,583
Debtors	**357,772**	**397,991**
Trade receivables for sales and services	305,092	301,519
Due from non-consolid. group companies	0	0
Due from cos. recorded by equity method	665	867
Other accounts receivable	27,933	84,734
Tax receivables	35,060	41,494
Provisions	(10,978)	(30,623)
Short-term investments	**101,816**	**114,986**
Short-term investment securities (Note11)	88,009	81,732
Short-term investments in Group companies (Note11)	3,959	2,091
Associated companies	0	2,500
Other loans (Note 11)	10,284	31,639
Short-term deposits and guarantees	53	57
Provisions	(489)	(3,033)
Cash at bank and in hand	**31,211**	**16,549**
Prepayments and accrued income	**15,525**	**17,685**
Total	**2,181,817**	**2,052,734**

LIABILITIES	12/31/04	12/31/03
Shareholders' equity (Note 12)	**980,613**	**911,635**
Share capital	92,319	92,319
Share premium	34,333	34,333
Other reserves of the parent company	**589,804**	**600,577**
Distributable reserves	567,759	573,901
Non-distributable reserves	22,045	26,676
Reserves in fully-consolidated companies	155,682	109,474
Translation differences consolidated companies	(12,384)	(25,827)
Profit and loss attributable to the parent company	120,859	100,759
Minority interests (Note 13)	**19,348**	**165,741**
Negative diff. on consolidation (Note 15)	**920**	**3,055**
Deferred income (Note 16)	**21,224**	**18,334**
Capital grants	20,575	16,935
Other income	649	1,399
Provisions	**153,244**	**134,365**
Provisions for pensions & sim. obligations (Note 17)	19,948	20,543
Other provisions (Note 18)	133,296	113,822
Long-term liabilities	**474,251**	**214,811**
Amounts due to credit instit. (Note 19)	**376,193**	**145,348**
Amounts due to group companies	**0**	**0**
Group companies	0	0
Associated companies	0	0
Other accounts payable (Note 20)	**35,703**	**44,034**
Deferred taxes (Note 22)	**62,355**	**25,429**
Current liabilities	**532,217**	**604,793**
Debts to credit institutions (Note 19)	184,735	272,961
Payable to group companies	**4**	**111**
Amounts due to non-consolidated group cos.	0	0
Amounts due to cos. consolid. by equity method	4	111
Trade accounts payable	**241,910**	**233,421**
Other non-trade payables	**98,196**	**88,023**
Accrued taxes payable	41,322	37,556
Accrued wages and salaries	19,505	12,697
Other accounts payable (Note 20)	37,369	37,770
Provisions for operating liabilities	**10**	**7,147**
Accruals and deferred income	**7,362**	**3,130**
Total	**2,181,817**	**2,052,734**

Notes 1 - 26 are an integral part of these balance sheets.

Ebro Puleva, S.A. CONSOLIDATED GROUP

Profit and loss accounts for the years ended 31 December
(thousands of euros) (Notes 1, 2, 3 and 4)

DEBIT	2004	2003	CREDIT	2004	2003
Expenses			**Income**		
Supplies (Note 24)	**1,324,741**	**1,196,118**	**Net turnover (Note 24)**	**2,121,733**	**2,002,986**
Consumption of goods	146,091	102,728	Sales	2,334,027	2,171,517
Consumption of Raw materials			Services Rendered	3,737	12,712
and other	1,156,109	1,059,328	Sales returns and volume discounts	(216,031)	(181,243)
Other external charges	22,541	34,062			
			Increase in stocks of finished goods		
Staff costs (Note 24)	**214,474**	**184,658**	**and work in progress**	**(1,695)**	**(115,012)**
Wages, salaries, etc.	171,299	151,435			
Social security & other welfare costs	43,175	33,223	**Own work capitalized**	**7,652**	**8,217**
Provision depreciation & amortisation	**80,473**	**75,232**	**Other operating income**	**9,240**	**11,238**
			Other sundry and current operating income	8,791	9,348
			Grants	404	521
Change in operating provisions	**7,400**	**7,364**	Overprovision for liabilities and charges	45	1,369
Other operating expenses	**299,135**	**266,088**			
External services	284,935	253,675			
Taxes	14,200	12,413			
Operating profit	**210,707**	**177,969**			
Financial expenses & other sim. charges	22,168	26,342	Income from equity interests	3	5
Losses on short-term finan.investments	118	0	Other interest & similar revenues	7,743	6,696
Change provision financial investments	373	741	Gain on short-term finan.investments	121	96
Exchange losses	15,417	28,532	Exchange gains	12,574	29,014
			Net financial loss	**17,635**	**19,804**
Amortisation of goodwill (Note 14)	17,111	10,380	Shares in profits cos. equity method	1,645	694
Losses of associated cos.	1,327	14	Negative diff. on consolid.reversion (Note 15)	90	49
Profit on ordinary activities	**176,369**	**148,514**			
Losses from disposal of tangible fixed			Profit from disposal of fixed assets		
assets and securities portfolio	12,025	4,409	and securities portfolio	63,136	24,395
Losses on sale of fully consolidated companies			Gains on sale of shares in fully-consolidated		
securities portfolio	5,120	213	companies	0	0
Losses on transaction with parent co. shares	4	14	Profit on transaction with parent co. shares	1,265	435
Change in provisions tangible & intang.			Capital grants transferred to income		
Fixed assets and securities portfolio	356	(582)	for the year (note 16)	4,150	3,760
Other extraordinary expenses & losses	89,741	69,109	Other extraordinary income & gains	7,672	7,277
			Net extraordinary loss (Note 24)	**31,023**	**37,296**
Profit before tax	**145,346**	**111,218**			
Corporation tax (Note 22)	28,999	15,321			
Consolidated profit for the year	**116,347**	**95,897**			
Profit attrib. to minority interests (Note 13)	(4,512)	(4,862)			
Profit for the year	**120,859**	**100,759**			

Notes 1 - 26 are an integral part of these profit and loss accounts.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2004

1. ACTIVITY

Ebro Puleva, S.A. (the parent Company) is the outcome of the merger by takeover by Azucarera Ebro Agrícolas S.A. of Puleva S.A. Following said takeover merger, the board of directors resolved, to change the name of the company from Azucarera Ebro Agrícolas, S.A. to Ebro Puleva, S.A. with effect from January 1, 2001.

Azucarera Ebro Agrícolas, S.A. was incorporated in Barcelona on May 11, 1998, registered on May 25 and commenced its activities with retroactive effect to April 1, 1998. It was established by the merger of Ebro Agrícolas, Compañía de Alimentación, S.A. and Sociedad General Azucarera de España, S.A.

The registered office of the company is at calle Villanueva no. 4, 28001 Madrid.

The parent Company is engaged in the manufacture, marketing, export and import of sugar, dairy, rice and products for human and animal consumption, by-products and waste, as well as agriculture and exploitation, leasing and conveyance of properties.

Subsidiaries and associated companies	Share %	Registered	(A) Capital and Reserves
Azucarera Ebro S.L. (Grupo)	100.00%	c/ Ruíz de Alarcón, 5 - 28014 Madrid	493,248
Balmes 103 Gestión de Patrim., S.L.	100.00%	c/ Villanueva, 4 - 28001 Madrid	12,351
Fincas e Inversiones Ebro, S.A.	100.00%	c/ Villanueva, 4 - 28001 Madrid	11,916
S.C.I. Bidassoa	100.00%	ST. Jean de la Luz - France	0
Compañía Agrícola de Tenerife, S.A.	99.94%	Camino Juan Fdez. s/n Tacoronte (Tenerife)	23,878
Puleva Food, S.L. (Grupo)	100.00%	Camino de Purchil, 66 . Granada	242,299
Lactimilk, S.A. (Grupo)	100.00%	Poligono Arteixo - La Coruña	10,290
Puleva Biotech, S.A.	74.98%	Camino de Purchil, 66 . Granada	33,698
Jiloca Industrial, S.A.	60.00%	Antigua Azuc. s/n - Sta. Eulalia - Teruel	1,769
Biocarburantes de C. y León, S.A. (*)	50.00%	Avda. de la Buharra, 2 - 41018 Sevilla	16,000
Beira Terrace Ltda.	100.00%	Avda. Boavista 4100, Oporto (Portugal)	515
Riviana Foods Inc (Grupo)	100.00%	Houston (Texas-USA)	127,828
Lince Insurance Ltd. (*)	100.00%	Dublin (Ireland)	3,500
Rice activity (Group)	(C)		

None of the above companies is listed on the stock exchange, except for Puleva Biotech, S.A., whose shares are quoted on the shares with a nominal value of 0.24 euros each. The shares are listed as of December 17, 2001 and the average listing for of this share is recorded as "Short-term investments" (see Note 11.b).

(A) When "(Group)" follows the name of a subsidiary, the data relating to capital, reserves and results correspond to consolidated
(B) S.C.I. Bidassoa has not been consolidated since it is dormant (insignificant in terms of the consolidated group).
Puleva, S.A. However, to simplify the consolidation process and to further standardize data for purposes of comparison, the are shown in the following chart. (*) Companies consolidated using the equity method.

The Company may perform all or part of its activities indirectly through the holding of stocks and shares in companies engaged in identical or similar activities.

The group currently operates on the domestic and international markets. The composition of its sales is described in Note 24.

2. SUBSIDIARIES AND ASSOCIATED COMPANIES

The shares held by Ebro Puleva, S.A. in subsidiary companies of the group are shown below: (thousand euros)

(A) Results for the year	Dividends paid in 2004	Activity	Last closed annual	Consoli-dation date
43,611	(46,773)	Sugar manufacturing	12/31/04	12/31/04
11	0	Real estate	12/31/04	12/31/04
9	0	Crop farming	12/31/04	12/31/04
0	0	Real estate	12/31/04	(B)
531	0	Banana growing, vegetable canning	12/31/04	12/31/04
13,194	(6,525)	Manufacture, packaging and sale of nutritional products	12/31/04	12/31/04
(571)	0	Manufacture of dairy products	12/31/04	12/31/04
1,355	0	Development and marketing of new products	12/31/04	12/31/04
315	(11)	Production of organic fertilizers	12/31/04	12/31/04
0	0	Production of Biothane	12/31/04	12/31/04
(220)	0	Real estate	12/31/04	12/31/04
10,526	0	Production and sale of rice	12/31/04	12/31/04
(1,325)	0	Insurance activity	12/31/04	12/31/04
17,261	(10,790)	Rice business	12/31/04	12/31/04
84,697	**(64,099)**			

Madrid, Barcelona, Bilbao and Valencia stock exchanges. All of the aforementioned company's shares are listed, i.e. 59,430,508 the last quarter of 2004 and at December 31, 2004 was 2,61 euros and 2,63 euros, respectively, per share. In addition, 3,29%

information of said company and its own subsidiaries and associated companies.
(C) Arrocerías Herba, S.A. was dissolved on December 27, 2001 and all assets and liabilities were transferred to Ebro structure of the rice subgroup headed by Arrocerías Herba, S.A. has been maintained. The companies forming this subgroup

Ebro Puleva, S.A. owns a 100% direct share of Azucarera Ebro, S.L., which in turn holds the following stakes in its subsidiaries (thousand euros):

Subsidiaries and associated companies of Azucarera Ebro, S.L.	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Agroteo, S.A.	72.98%	c/ Escultor Coomonte, 2 49600 Benavente	667	38	Services to growers	12/31/04	12/31/04
Azucarera Energías, S.L.	60.00%	c/ Ruiz de Alarcón, 5 28014 Madrid	1,329	590	Cogeneration	12/31/04	12/31/04
Unión Azucarera, A.I.E.	98.93%	c/ Ruiz de Alarcón, 5 28014 Madrid	3	0	Economic interest grouping	12/31/04	12/31/04
Compañía de Melazas, S.A. (Associated)	50.00%	c/ Raimundo Fdez. Villav., 28 28003 Madrid	133	(5)	Marketing molasses	30,09,04	12/31/04
Ses Ibérica, S.A. (Associated)	49.99%	c/ Villanueva, 4 - 28001 Madrid	115	(10)	In liquidation	12/31/04	12/31/04

None of these companies are listed.

Ebro Puleva owns a direct 100% share of Puleva Food, S.L., which has the following (unlisted) subsidiaries (thousand euros):

Subsidiaries and associated companies of Puleva Food	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Puleva Networks, S.A.	100.00%	Camino de Purchil, 66. Granada	5	0	Design and rending of computers	12/31/04	12/31/04
Puleva Salud, S.A.	88.25%	Camino de Purchil, 66. Granada	105	2	Internet services	12/31/04	12/31/04
Grelva, S.L.	100.00%	Camino de Purchil, 66. Granada	6,991	753	Cogeneration	12/31/04	12/31/04
Yofres, S.A.	100.00%	Camino de Purchil, 66. Granada	3,309	(384)	Sale of fermented dairy	12/31/04	12/31/04
Miguel Sancho Puleva, S.A.	100.00%	Camino de Purchil, 66. Granada	0	0	Dormant	12/31/04	12/31/04
Edda, S.A.	100.00%	Camino de Purchil, 66. Granada	0	0	Dormant	12/31/04	12/31/04
Uniasa, S.A.	100.00%	Camino de Purchil, 66. Granada	3	2	Dormant	12/31/04	12/31/04
Formalac, S.L.	100.00%	Camino de Purchil, 66. Granada	3	2	Dormant	12/31/04	12/31/04
Nutrilac, S.L.	100.00%	Camino de Purchil, 66. Granada	229	1	Dormant	12/31/04	12/31/04
Fundación Puleva	100.00%	Camino de Purchil, 66. Granada	414	3	Foundry	12/31/04	12/31/04
JJ. Software de Medicina, S.A. (Associated)	37.00%	Pozuelo de Alarcón. Madrid	1,709	(557)	Sale of software	12/31/04	12/31/04

Ebro Puleva owns a direct 100% share of Lactimilk, S.A., which has the following (unlisted) subsidiaries (thousand euros):

Subsidiaries and associated companies of Lactimilk, S.A.	Share %	Registered Address	Capital and reserves	Results for the year	Activity	Last closed annual	Consoli-dation date
Castillo Castelló, S.A.	80.00%	c/ Ferrer i Busquet, 125. Lleida	249	2	Marketing of dairy products	12/31/04	12/31/04
Eurodairy, S.L.	100.00%	c/ Longitudinal, 5. Barcelona	374	6	Marketing of dairy products	12/31/04	12/31/04
Innovalact El Castillo, S.A.	100.00%	Mollerusa (Lleida), c/ Ferrer i Busquets, 125.	10	0	Marketing of dairy products	12/31/04	12/31/04
El Castillo Madibic, S.L.	50.00%	Constitución, 3 . Barcelona	3,386	1,512	Marketing and raising of livestock	12/31/04	12/31/04

Ebro Puleva, S.A. directly owns 99.94% of Compañia Agricola de Tenerife, S.A. (CATESA), whose unlisted subsidiaries are shown below (thousand euros):

Subsidiaries and associated companies of CATESA	Share %	Registered Address	(A) Capital and reserves	(A) Results for the year	Activity	Last closed annual	Consoli-dation date
SAT Tejinaste (Associated)	32.84%	Sta. Cruz de Tenerife	4	0	Marketing food products productos agrícolas	12/31/04	(A)
Interjardin, S.L. (Associated)	40.00%	La Laguna - Tenerife	60	0	Parks and gardens	12/31/04	(A)

(A) Companies not consolidated because idle or unimportant (insignificant for the consolidated group).

As indicated above, Arrocerías Herba, S.A. was wound up on December 27, 2001, transferring all its assets and liabilities to Ebro Puleva, S.A. However, to simplify the consolidation process and standardize data for purpose of comparison, the structure of the rice sub-group formerly headed by Arrrocerías Herba, S.A., the composition of which is indicated below (unlisted companies), has been maintained:

Subsidiaries devoted to the rice business	% Stake	Registered	(A) Capital and reserves	(A) Results for the year	Activity	Last closed annual	Consoli-dation Date
Herba Foods S.L.	100.00%	Madrid (Spain)	55,905	4,459	Investment	12/31/04	12/31/04
Herba Ricemills S.L	100.00%	Madrid (Spain)	69,278	99	Production and sale of rice	12/31/04	12/31/04
Herba Nutrición S.L	100.00%	Madrid (Spain)	626	2,871	Production and sale of rice	12/31/04	12/31/04
Fallera Nutrición, S. L. **(B)**	100.00%	Valencia (Spain)	722	1,640	Production and sale of rice	12/31/04	12/31/04
S&B Herba Foods Ltda. (Grupo) **(*)**	100.00%	London (UK)	5,572	2,402	Production and sale of rice	12/31/04	12/31/04
Rizerie Franco Americaine et Col., S .A.	100.00%	Paris (France)	1,138	37	Production and sale of rice	12/31/04	12/31/04
Herba Germany, GmbH **(A)**	100.00%	Hamburg (Germany)	21,150	(60)	Cession of brand names	12/31/04	12/31/04
Riceland Magyarorszag	100.00%	Budapest (Hungry)	1,051	708	Production and sale of rice	12/31/04	12/31/04
Danrice A.S.	100.00%	Orbaek (Denmark)	4,196	1,640	Production and sale of rice	12/31/04	12/31/04
Boost Distribution C. V. (Grupo) **(A) (*)**	100.00%	Merksem (Belgium)	10,075	3,739	Production and sale of rice	12/31/04	12/31/04
Mundi Riso S.R.L. **(A)**	100.00%	Vercelli (Italy)	10,208	(560)	Production and sale of rice	12/31/04	12/31/04
Herba Hellas, S.A. **(A)**	75.00%	Tesalonica (Greece)	304	130	Production and sale of rice	12/31/04	12/31/04
Mundi Riz, S.A. **(A)**	100.00%	Larache (Morocco)	4,295	1,226	Production and sale of rice	12/31/04	12/31/04
Arrozeíras Mundiarroz, S.A. **(A)**	100.00%	Lisboa (Portugal)	7,329	4,073	Production and sale of rice	12/31/04	12/31/04
Josep Heap Properties, Ltda. **(A)**	100.00%	Liverpool (UK)	(1)	59	Investment	12/31/04	12/31/04
Risella OY	100.00%	Helsinki (Finlandia)	4,050	(131)	Sale of rice	12/31/04	12/31/04
Nuratri, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Nutramas, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Nutrial, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Pronatur, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Vitasan, S.L. **(C)**	100.00%	Camino de Purchil.66 . Granada	3	0	Dormant	12/31/04	12/31/04
Herto, N.V. **(A) (*)**	66.66%	Idegem (Belgium)	4,604	161	Production and sale of rice	12/31/04	12/31/04

(A) Companies owned by Ebro Puleva, S.A. indirectly through Herba Foods, S.L. (B) Companies owned by Ebro Puleva, S.A. indirectly through Herba Nutrición, S.L. (C) Companies owned by Ebro Puleva, S.A. indirectly through Herba Ricemills, S.L. (*) The directly-held percentages of these companies are: 51% of SB Herba y Boost and 33% of Herto. The remaining percentage is held through Riviana Foods Inc (see detail below).

Ebro Puleva owns a direct 100% share of Riviana Foods Inc., which has the following (unlisted) subsidiaries:

Subsidiaries of Riviana Foods Inc.	% Stake	Registered	Last closed annual	Date consolidation	Activity
Riviana International Inc.	100.00%	Houston (USA)	12/31/04	12/31/04	Investment management
Riviana Puerto Rico	100.00%	Puerto Rico	12/31/04	12/31/04	Sale of rice
Alimentos Kern de Guatemala, S. A.	100.00%	Guatemala	12/31/04	12/31/04	Production and sale of food
Pozuelo S. A.	92.79%	Costa Rica	12/31/04	12/31/04	Production and sale of food
Riviana de Centro America, S.A.	92.79%	El Salvador	12/31/04	12/31/04	Sale of food
Distribuidora Tropical, S. A.	88.16%	Nicaragua	12/31/04	12/31/04	Sale of food
Riviana de Panama S. A.	92.79%	Panama	12/31/04	12/31/04	Sale of food
Rivland, Inc	50.00%	USA	12/31/04	12/31/04	Cogeneration energy
South LaFourche, Inc	50.00%	USA	12/31/04	12/31/04	Cogeneration energy
Jonesboro Gasifier, Inc	100.00%	USA	12/31/04	12/31/04	Cogeneration energy
Jonesboro Power Island, Inc	49.00%	USA	12/31/04	12/31/04	Cogeneration energy
Stuttgart Power Island, Inc	51.00%	USA	12/31/04	12/31/04	Cogeneration energy
N&C Boost N. V. (Belgium)	100.00%	Belgium	12/31/04	12/31/04	Investment management
Boost Nutrition C. V. (Belgium) (*)	49.00%	Belgium	12/31/04	12/31/04	Production and sale of rice
Herto n. v. (Belgium) (*)	33.00%	Belgium	12/31/04	12/31/04	Production and sale of rice
S&B Herba Foods Ltd (Grupo) (*)	49.00%	London (UK)	12/31/04	12/31/04	Production and sale of rice
Mahatma Foods Ltd Australia	100.00%	Australia	12/31/04	12/31/04	Dormant
Lastarmco Inc. (Louisiana)	100.00%	Lousiana (USA)	12/31/04	12/31/04	Dormant
River Brand Rice Mills Inc. (Texas)	100.00%	Texas (USA)	12/31/04	12/31/04	Dormant
Arkansas State Rice Milling Co (Delaware)	100.00%	Delaware (USA)	12/31/04	12/31/04	Dormant
Louisiana State Rice Milling Co (Delaware)	100.00%	Delaware (USA)	12/31/04	12/31/04	Dormant

(*) In addition to the percentage of these companies directly held by Riviana Foods Inc., those held indirectly by Ebro Puleva, S.A. through its ownership of 51% of SB Herba y Boost and 33% of Herto must also be taken into account (see preceding detail).

3. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

3,1 GENERAL PRINCIPLES

a) The consolidated annual accounts are based on the accounting records of the parent company, the subsidiaries and associated companies making up the Group in which Ebro Puleva, S.A. owns a direct or indirect share, as indicated in Note 2, and are set out in accordance with the generally accepted accounting principles in Spain applied on a consistent basis with those of the preceding year, as established in current legislation, to give a true and fair view of the net worth, financial position and results of the Group.

b) The consolidated annual accounts are presented in thousand of euros.

c) As in the previous year, certain companies have been excluded from consolidation in view of their small size and significance, namely the subsidiaries of CATESA listed in Note 2, SCI Bidassoa (wholly-owned by Ebro Puleva, S.A.) and some subsidiaries of Azucarera Ebro, S.L., also listed in Note 2.

d) The consolidated accounts for the year ended December 31, 2004 (hereinafter the 2004 annual accounts), which have been prepared by the directors of the parent company, are pending approval by the General Shareholders' Meeting. However, it is expected that they will be approved without modification.

3,2 CORPORATE TRANSACTIONS PERFORMED DURING THE YEAR 2003 AND 2004 AND THEIR EFFECT ON THE BASIS FOR COMPARISON

2003 internal transactions (see 2003 annual accounts)

a) Takeover merger of Productos La Fallera, S.A.:

In their extraordinary general meetings held on June 25, 2003, the shareholders of Ebro Puleva, S.A. and Productos La Fallera, S.A. approved the abovementioned merger.

Since the merger is considered a full "simplified merger" (Ebro Puleva, S.A. owned 100% of the share capital of Productos La Fallera, S.A.), it was not necessary to establish an exchange ratio or to increase the capital of Ebro Puleva, S.A. Consequently, Ebro Puleva, S.A. acquired by all the rights and obligations of Productos La Fallera, S.A. by universal succession. The merger was considered effective for accounting purposes as of January 1, 2003. The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995, and did not include the revaluation of assets.

Given that Productos La Fallera, S.A. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

b) Segregation of the rice activity

As part of the process of streamlining and fostering efficient, easily measurable operation of its businesses, the Group segregated, as a complement to the transaction described above, the rice activity, using the same procedure applied to the other activities and / or business of the Ebro Puleva Group.

Consequently, on July 23, 2003, Ebro Puleva S.A.'s Board of Directors approved the contribution of its rice activity to Herba Ricemills, S.L., thus creating an autonomous economic unit effective September 1, 2003 (a company 100% owned by Ebro Puleva, S.A.).

The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995, and did not include the revaluation of assets.

Given that Herba Ricemills, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

c) Non-monetary contribution of foreign investments of the rice activity

As part of the process of restructuring of the rice activity, on July 23, 2003, Ebro Puleva S.A.'s Board of Directors also approved the nonmonetary contribution of the shares of some of the foreign companies of the rice activity to the wholly-owned subsidiary Herba Foods, S.L.

The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995, and did not include the revaluation of assets.

Given that Herba Foods, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

d) Dissolution of Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (GDP), transferring all its assets and liabilities to Ebro Puleva, S.A.

For purposes of overall streamlining and management optimization, on July 23, 2003, the Board of Directors of Ebro Puleva, S.A. agreed to dissolve Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (a wholly-owned subsidiary) and transfer all of its assets and liabilities to its sole shareholder Ebro Puleva, S.A. The dissolution was effective for accounting purposes as of July 23, 2003.

The transaction was carried out under the fiscal neutrality regime in accordance with the provisions of Chapter VIII, Title VIII of Corporation Tax Law 43/1995, and did not include the revaluation of assets.

Given that Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

Internal transactions in 2004

e) Dissolution of Nomen Alimentación, S.L. (sole partner company) with transfer of assets and liabilities to Herba Nutrición, S.L.

On November 1, 2004, the sole partner of Nomen Alimentación, S.L. (sole partner company), Herba Nutrición, S.L. (sole partner company), agreed to dissolve Nomen Alimentación, S.L. (sole partner company), transferring all of its assets and liabilities to its sole partner.

The transfer of assets and liabilities was approved by the Board of Directors of Herba Nutrición, S.L. (sole partner company), a company 100% owned by Ebro Puleva, S.A., in their meeting held on November 2, 2004.

This transaction is subject to the tax regime established in Chapter VIII, Title VII of Legislative Royal Decree 4/2004, dated March 5, which approves the revised text of the Spanish Corporation Tax Law. The process did not include the revaluation of assets. The dissolution of the abovementioned company was inscribed in the Mercantile Register on December 31, 2004, date on which the dissolution is considered effective for accounting and tax purposes.

Given that Nomen Alimentación, S.L. (sole partner company) was already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

f) Sale of shares or participation units between Group companies

* Effective January 1, 2004, Puleva Food, S.L. sold its 100% share in Lactimilk, S.A. (100% of share capital) to Ebro Puleva S.A.

  Consequently, Lactimilk, S.A. is now wholly owned by Ebro Puleva, S.A.

* Also effective January 1, 2004, Puleva Food, S.L. sold its 80% share of Castillo Castelló, S.A. as well as the 100% share that this company owned in Eurodairy, S.L. to Lactimilk S.A.

As a result of this transaction, the 80%-owned Castillo Castelló, S.A. and the 100%-owned Eurodairy, S.L. are now subsidiaries of Lactimilk, S.A.

Given that these subsidiaries were already consolidated using the full consolidation method in the previous year, this corporate transaction does not affect the comparison of the consolidated annual accounts of both years.

3,3 External corporate transactions carried out in 2004 which affect the basis of comparison – Changes in the consolidation scope:

In addition to the changes described in Note 3.2, changes have been made to the consolidation scope, the most significant of which were the following:

COMPANIES ADDED TO THE CONSOLIDATION SCOPE:			
Company affected	**Subgroup**	**%**	**Comments**
Riviana Foods Inc. (USA) (Grupo)	Rice - USA	100.0 **(a)**	Acquired by Ebro Puleva
S&B Herba Foods Ltda. (UK)	Rice	100.0 **(a)**	Acquired by Ebro Puleva
Boost Distribution C. V. (Belgium)	Rice	49.0 **(a)**	Acquired by Ebro Puleva
Herto, N.V. (Belgium)	Rice	33.3 **(a)**	Acquired by Ebro Puleva
Vogan & Company Ltda. (UK)	Rice	100.0	Acquired by S&B Herba Foods
Risella OY (Finland)	Rice	100.0	Newly-formed company
Puleva Biotech, S.A.	Parent company	4.98	New acquisitions and trading portfolio transfers
Innovalact El Castillo, S.A.	Láctimilk	100.0	Newly-formed company
Biocarburantes de Castilla y León, S.A.	Parent company	50.0	First-time consolidation using the equity method
Lince Insurance Ltd. (Ireland)	Parent company	100.0	Newly-formed company

COMPANIES REMOVED FROM CONSOLIDATION SCOPE:			
Company affected	**Subgroup**	**%**	**Comments**
Josep Heap & Sons	Rice	49.0 **(a)**	Sale of share through its acquisition by S&B Herba Foods
Inversiones Greenfields Ltd. (Group)	Parent company	49.0	Sale of share

(a) *At the end of March 2004, 100% of the Group's shares in Josep Heap & Sons were exchanged for 51% of S&B Herba Foods Ltda (through the acquisition, as a wholly-owned subsidiary, of the latter by the former) and therefore the Ebro Puleva group indirectly owns 51% of Josep Heap & Sons. In addition, effective September 1, 2004, the parent company acquired Riviana Foods Inc. (USA), which owned the remaining 49% of S&B Herba Foods Ltda. Consequently, at year end 2004, the Puleva Group also directly and indirectly owned 100% of this company. Riviana Foods Inc. also owns the remaining 49% of Boost Distribution C. V. (Belgium) and 33% of Herto, N.V. (Belgium). As a result of the acquisition of Riviana Foods Inc., the Ebro Puleva Group has increased its share in Boost Distribution C. V. (Belgium) to 100% and its share in Herto, N.V. (Belgium) to 66%.*

Summary on companies added to the consolidation

With regard to the comparison of financial years, the above detail reveals that in 2004 the Ebro Puleva Group added 100% of the Riviana Group (as of September 1), 100% of S&B Herba Foods (as of April 1), 100% of Vogan & Company (as of May 1) and 33% of Herto, N.V. (as of September 1) to its consolidation. The increase in ownership of Boost Distribution C. V. (Belgium) from 51% to 100% does not affect comparison, since this company was consolidated using the equity method.

All of the companies added to the consolidation were consolidated using the full consolidation method, except for Biocarburantes de Castilla y León, S.A., which was consolidated using the equity method, since the Ebro Puleva Group does not control the management of this company. Herto, N.V. (Belgium) was consolidated using the equity method up to September 1, 2004, date on which it was consolidated using the full consolidation method, since it the Group's percentage of ownership in this company increased from 33% to 66% as a result of acquiring the Riviana Group (explained above).

Summary on companies removed from the consolidation

The most significant company removed from the consolidation scope in 2004 was Inversiones Greenfields Ltd. (Group), which owns 51% of Chilena Campos Chilenos, S.A., which in turn owns 45.13% of IANSA. At the end of November 2004, Ebro Puleva, S.A. sold its 49% share in Inversiones Greenfields Ltd., bringing its current share to 51%. Prior to the sale of the aforementioned 49%, Ebro Puleva, S.A. indirectly owned 23% of its share in IANSA; however, this company had been consolidated using the full consolidation method since Ebro Puleva, S.A. had majority control. Nevertheless, the sale of its 49%

share in Inversiones Greenfields Ltd. means that Ebro Puleva, S.A. no longer controls the majority of IANSA Group companies and therefore, practically the only asset of Inversiones Greenfields (the equity investment in IANSA through the share in Campos Chilenos) cannot be consolidated by the full consolidation at year end 2004. In addition, the remaining 51% share held in Inversiones Greenfields Ltd. at December 31, 2004 was recorded in assets on the consolidated balance sheet under "Short-term securities portfolio" at market value. Consequently, for purposes of comparison, it should be borne in mind that the 2003 profit and loss account covers a 12 month financial period, whereas the 2004 profit and loss account reflects only eleven months. In addition, the assets and liabilities of the IANSA group are included in the December 31, 2003 balance sheet but not in that of 2004.

The following detail shows the effects of the most significant companies added to the consolidation scope as well as the removal of Inversiones Greenfields Ltd.:

		Formation date				Greenfields Group	
Thousands of Euros	**Total**	**1/09/2004 Riviana Group**	**1/4/2004 SB**	**1/5/2004 Vogan**	**1/9/2004 Herto**	**30/11/2004 Balances removed**	**1/1/2004 Balances added**
Intangible assets	21,559	41,223	0	0	23	-19,687	-20,369
Tangible assets	2,813	119,681	1,746	3,086	15,829	-137,529	-157,362
Investments	8,468	28,585	0	0	0	-20,117	-13,968
Goodwill	1,678	6,170	0	0	0	-4,492	-7,615
Deferred expenses	95	0	0	0	1,269	-1,174	-791
Stocks	18,651	50,759	2,496	1,753	2,014	-38,371	-49,562
Other current assets	-85,522	46,522	11,471	3,258	2,985	-149,758	-112,713
Total assets	**-32,258**	**292,940**	**15,713**	**8,097**	**22,120**	**-371,128**	**-362,380**
Minority interests	-139,355	6,419	0	0	0	-145,774	-142,891
Negative consolidation difference	-2,754		0	0	0	-2,754	-2,701
Provision for liabilities and charges	-30,027	2,953	0	0	0	-32,980	-31,918
Short-term amounts owed to credit institutions	5,527	33	0	0	7,000	-1,506	-10,099
Long-term loans and other liabilities	-29,299		0	0	14	-29,313	-28,400
Deferred tax liabilities	33,389	38,019	0	364	1,699	-6,693	-6,850
Short-term amounts owed to credit institutions	-54,518	18,532	0	1,169	5,594	-79,813	-86,239
Trade creditors	6,387	26,859	4,358	64	2,119	-27,013	-33,276
Other current liabilities	-30,513	13,765	2,852	2,813	928	-50,871	-24,207
Total liabilities	**-241,163**	**106,580**	**7,210**	**4,410**	**17,354**	**-376,717**	**-366,581**
Investments	321,057	309,297	4,221	7,539	—	—	—
Goodwill	126,135	122,937	-654	3,852	—	—	—
Sales figures (*)	182,792	118,786	38,773	18,282	6,951	—	—
Contributed net result (*)	11,545	10,526	336	630	53	—	—

(*) As of the date it was incorporated in the Group.

With regard to other companies added to or removed from the consolidation scope, the overall effect of these changes on equity, financial position and Group results in the current year with respect to the previous year was not significant.

4. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

A) CONSOLIDATION PRINCIPLES

The consolidated annual accounts have been prepared using the full consolidation method for subsidiaries and the equity method for associated companies.

The basic principles used in the consolidation are as follows:

1. The consolidated annual accounts have been prepared in accordance with the rules established in Royal Decree 1815/1991 of December 20, pursuant to which the positive differences between the cost of the shares in the capital of the companies included in the consolidation (both those included by the full consolidation method and those valued according to the equity method) and the balance sheet values acquired, adjusted at the date of initial consolidation, are attributed as follows:

   * If the difference is allocable to specific fixed assets of these companies, by raising the value of the assets (or lowering the value of liabilities), whose market values are higher (lower) than the net book values.

   * The remaining difference is recorded as "Consolidated goodwill" and is amortized on a straight-line basis over the period during which the investments is expected to generate income for the Group. This period is estimated primarily on the basis of the acquired businesses and the market in which the acquired companies operate, and varies between 10 and 20 years.

The negative differences on consolidation shown on the consolidated balance sheet may be credited to consolidated income when all or part of the shares in the capital of the group companies causing them are sold.

2. The balances, transactions and profits existing between fully consolidated companies have been eliminated in the consolidation process.

3. The value of minority interests in both the net equity and the profit for the year of the consolidated subsidiaries is recorded under the item "Minority interests" on the liabilities side of the accompanying consolidated balance sheet.

4. The financial statements of foreign companies have been translated to euro in the consolidation process by applying the exchange rates at year end to the items of the respective balance sheets and the average exchange rate to the profit and loss accounts.

5. The Directors of the parent company consider the current 74.98% direct control of Ebro Puleva, S.A. over Puleva Biotech, S.A. to be own shares. Based on this criterion, the full consolidation method has been applied to Puleva Biotech, S.A. The percentage own shares acquired by Puleva Biotech, S.A., which at December 31, 2004 was 3.29%, was considered a short-term equity investment in Group companies, and is therefore shown in assets on the consolidated balance sheet and valued accordingly (see Note 11.b).

B) FORMATION EXPENSES

Formation expenses are carried at cost and amortized systematically over a period of five years.

C) INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at purchase price or cost of production and are generally depreciated over a period of five years from completion of the project or initial use of the software, with the exceptions mentioned below. In particular, the following criteria are applied:

- **Research and development expenses**: Expenses incurred in research and development activities from which the Company reasonably expects returns and technical success, are recorded, itemized by projects, at their purchase price or cost of production, and depreciated following the straight-line method over a period of four or five years. However, very small amounts, are written off within one year.

- **Industrial property**: Capitalized research and development expenses are stated as industrial property when the corresponding patents, etc. are obtained. New trademarks purchased by group companies from third parties are also included, at acquisition cost. These expenses are amortized according to their estimated useful life, which in some cases exceeds than five years.

- **Computer software**: This heading includes the amounts paid for access to ownership or the right to use computer programs, as well as the costs incurred by the Company in the development of software, only when these are expected to be used over several years. The maintenance costs of these EDP applications are recorded directly as expenses in the year in which they are incurred.

- **Goodwill on merger**: The goodwill on merger has been calculated in accordance with the draft Accounting Rules for Mergers and Demergers issued by the Spanish Accounting and Audit Institute, following the criteria deriving from the Rules for Preparation of Consolidated Annual Accounts approved in Royal Decree 1815/1992 of December 20. The goodwill on merger is written off systematically over a period of 10 years, since this is the time during which the goodwill is estimated to contribute to the obtaining of income.

- **Assets acquired under leasing arrangements** are recorded as intangible fixed assets at the cash value of the asset. The total debt represented by lease installments plus the purchase option are recorded in liabilities. The difference between both amounts, which corresponds to the related financial expenses, is recorded as deferred expenses, and is taken to the profit and loss account based on financial criteria. These amounts are amortized over the useful life of the leased asset, similar to what is done for like tangible assets.

D) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at purchase price or cost of production, adjusted in some companies of the group according to the applicable legal revaluations, less the corresponding accumulated depreciation. In addition, certain assets have been revalued based on independent appraisals, due to the assignment of positive consolidation differences in paragraph a) above.

The costs of any extensions, modernizations or improvements that enable an increase in productivity, capacity or efficiency or lengthen the useful life of the assets are capitalized as additional cost of the corresponding assets. Maintenance and upkeep expenses are charged to the profit and loss account in the year in which they are incurred.

Depreciation is calculated by the straight-line method according to the estimated useful life of the respective assets, considering the depreciation actually suffered through operation, use and occupation, as indicated below:

DEPRECIATION RATES	
Buildings	1.0 - 3.0%
Machinery, plant, tools, equipment	2.0 - 20%
Fixtures and fittings	8 - 25%
Other fixed Assets	5.5 - 25%

When assets are determined to be obsolete, the corresponding obsolescence provision is recorded.

E) INVESTMENTS

Equity investments in non-consolidated Group companies

Investments in non-consolidated group companies are carried at the lower of acquisition cost or market value. The market value is determined on the basis of the theoretical book value of the share, according to the latest available financial statements, adjusted by the amount of any unrealized capital gains existing at the time of the acquisition and subsisting at year end. The capital gains that can be absorbed through the annual increase in theoretical book values of the group companies over a period ranging from 10 to 20 years from the acquisition date, require no restatement. Provisions have been made for any possible capital losses, lowering the balance of the financial fixed assets.

Long-term securities portfolio

Amounts invested are valued at the net amounts paid, plus financial interest accrued at year end.

Other loans

Other loans are recorded in assets at the total value to be collected. Unearned interest at year end is recorded in “Deferred income” as “Other income.”

Short-tem securities portfolio and short-term equity investments in Group companies.

Amounts invested in fixed-income securities are valued at the net amount given, plus financial interest accrued at year end. Also included in this heading are investments in short-term marketable securities, which are carried at acquisition cost, adjusted by the corresponding write-down provision for any decline in value. Listed securities are valued at the lower of acquisition cost, average listing for the last quarter or the listing on the last day of the year.

F) NON-TRADE RECEIVABLES AND PAYABLES

Short and long-term non-trade receivables are carried at the amount actually paid. Interest income is recorded in the profit and loss account as it accrues, applying a financial criteria.

Such value adjustments as are considered necessary are made to allow for bad debts. Short and long-term non-trade accounts payable are stated at disbursement value. The diference over the amount received is amortized annually according to a financial criteria. Bank credit lines are stated at the amount actually disposed of.

The amount corresponding to bills discounted is stated, up to maturity, under both “Debtors” and “Short-term debts to credit institutions.”

G) INVENTORIES

Inventories are stated at purchase price or cost of production, using the average weighted value method.

The purchase cost includes the amount invoiced plus all additional expenses incurred until the assets reach the warehouse. The cost of production is calculated as the sum of the purchase costs of raw materials and other consumables, the manufacturing costs directly attributable to the product and the corresponding part of the costs indirectly attributable to the products in question, insofar as they correspond to the production period.

When the market or replacement value of the inventories is lower than those indicated above, appropriate provisions for depreciation are recorded.

H) OWN SHARES

Own shares are valued at acquisition cost and adjusted by the potential writedown provision, which is calculated as follows:

* The difference between the acquisition price and the market price (the lower of the listing on the last day of the year or the average listing during the last quarter) is recorded against the profit and loss account.

* The difference that may arise between the value calculated as stated above and the theoretical book value as per the consolidated balance is charged to “Reserves for own shares.” (see note 12.2)

I) GRANTS

Grants received by the Company are recorded according to the following principles:

1. Outright capital grants: Stated at the amount awarded and written off to the profit and loss account using the straight-line method over 10 years, which is approximately equivalent to the average period of depreciation of the assets financed with the grants.

2. Operating grants: Credited to income upon accrual.

J) PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Under the current collective labor agreement and voluntary agreements, Azucarera Ebro, S.L., Ebro Puleva, S.A., Puleva Food, S.L. and CATESA are obliged to pay various annual supplements and other service and retirement bonuses to permanent employees who have taken official or early retirement.

The provision equals the current value, calculated on the basis of actuarial studies made by independent experts, of the Company's future possible commitments to its retired and current employees in respect of these pension supplements. Part of this provision has been externalized in accordance with current legislation (see Note 17). As of 2002, the relevant companies will make annual contributions to the externalized pension plan to readjust contributions to the possible commitments accrued at year end. In any case, these readjustments are not significant in respect of consolidated profit.

Under the applicable collective labor agreement and based on voluntary agreements reached with its employees, the Riviana Group is obligated to pay various types of annual supplements and seniority bonuses. Where applicable, it is also required to pay retirement bonuses to its permanent employees who retire early or who retire at the legal retirement age. The recorded provision represents the current value, based on actuarial studies conducted primarily by independent actuaries, of the future payment commitments with both retired and active employees, less the current value of the investments in which the current funds are placed. These funds are independently managed by a Management Committee made up of employees, members of management and third parties.

In addition, in accordance with their respective collective labor agreements, some Riviana Foods Inc. subsidiaries pay their employees periodic bonuses based on the years of service. This provision is calculated based on the current value of the commitments.

Some Group companies also pay certain retirement bonuses to their employees on a voluntary basis for undetermined amounts. These bonuses, which are not material, are recorded as an expense in the period paid.

The other companies in the group have no similar commitments, or the amount thereof is not significant.

K) DEFERRED CHARGES

This heading relates to financial charges pending accrual for the aforementioned capital lease contracts, credit arrangement expenses, which are charged to results during the maturity periods of the corresponding debts in accordance with financial criteria, and the unrecorded provision allowance for the next 4.75 years of Azucarera Ebro, S.L.'s provision for pensions arising from the change in mortality tables in 1999/2000 in accordance with prevailing legislation.

L) OTHER PROVISIONS

Provisions are recorded for the amounts considered necessary at year end to meet likely or certain liabilities deriving from on-going legal disputes or obligations outstanding in an unspecified amount.

M) LONG AND SHORT-TERM DEBTS

In the accompanying accounts debts are classified according to when they fall due in respect of the balance-sheet date, considering debts that fall due within twelve months as short-term debts and those falling due after more than twelve months as long-term debts.

Interest on debts is recorded in the profit and loss account according to the accruals principle.

N) CORPORATION TAX

The corporation tax charge recorded in the profit and loss account is calculated on the basis of the profit before tax, increased or decreased, as appropriate, by the permanent differences with the taxable income, which is the tax base for said tax, less allowances and deductions, excluding withholding tax and advanced payments.

The differences between the net corporation tax payable and the expense entered for this tax are recorded as deferred corporation tax asset or liability, as appropriate.

O) FOREIGN CURRENCIES AND CURRENCY FUTURES CONTRACTS

Balances in foreign currencies are translated to euro at the exchange rates prevailing at the corresponding transaction dates. Accounts receivable and payable are restated at year end at the exchange rate in force on the balance sheet date, recording exchange losses thus produced on the profit and loss account and deferring exchange gains, if any, to the date of collection or payment. The readjustment is made for similar groups of currencies and uniform payment periods.

The currency futures contracted by the Company to hedge the foreign exchange risk of its foreign currency cash flows are recorded in memorandum accounts until their respective expiration dates, when they are applied to credits and debits and any profit or loss on the recorded transaction. At year end, the exchange rates arranged in the futures contracts are compared with those prevailing at that date and a provision for foreign exchange risks is made if a loss is revealed, charging the amount to the profit and loss account.

Lastly, the Group uses interest rate swaps contracted on unorganized markets to hedge loans. The transactions existing at December 31, 2004 are intended to eliminate or reduce significantly interest rate risk in connection with these loans, and therefore any profit or loss is recorded in the profit and loss account in proportion to the income or expenses generated by the hedged assets (see Note 19).

P) INCOME AND EXPENSES

Income and expenses are recorded following the accruals principle, that is, when the real flow of goods and services that they represent is made, regardless of when the resulting monetary or financial flow is produced.

However, following the principle of prudence, the Group only records realized profits at year end, while foreseeable risks and losses, even potential losses, are recorded as soon as they are known.

Q) ENVIRONMENTAL INFORMATION

This heading relates to amounts accrued for environmental activities carried out or that will be carried out to manage environmental effects resulting from the Group's operations, as well as environmental commitments.

Tangible assets recorded by the Group to be used in the long term to minimize environmental impact of its activities or protect and improve the environment, including the reduction or elimination of future contamination are recorded as investments. These assets are recorded as required for tangible fixed assets.

R) VOLUNTARY REDUNDANCY PLAN

Azucarera Ebro, S.L., and its employees have agreed to the terms of a Voluntary Redundancy Plan approved by the Ministry of Labor and Welfare. Employees having the required years of service may avail themselves of this plan, which is valid until December 31, 2006. Only those employees who meet the established requirements and request voluntary redundancy and receive management's approval may benefit from the plan. Since the plan is voluntary for both the Company and employee, the Company provides for those indemnities of which it has knowledge and which it intends to approve at year end.

5. START-UP EXPENSES

The movements of this heading during the year are indicated below:

THOUSANDS OF EUROS					
	Balance at 12/31/03	Increase	Period amortization	Transfers	Balance at 12/31/04
Incorporation costs	728	4	(354)		378
Start-up expenses	1,104	8	(928)		184
Capital increase expenses	423	0	(264)		159
Total	**2,255**	**12**	**(1,546)**	**0**	**721**

6. INTANGIBLE FIXED ASSETS

The breakdown of intangible fixed assets and their accumulated amortization at December 31, 2004, with the movements recorded during the year, is shown below:

GROSS VALUES (THOUSANDS OF EUROS)								
	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Increase	Reductions	Transfers	Balance at 12/31/04
Research and development	6,446	0	0	0	1,733	(3,261)	4,784	9,702
Industrial property & gov. Concessions	46,288	(4,320)	41,544	(4,486)	4,186	(5,459)	33	77,786
Others (goodwill on merger)	7,752	101	0	(4,097)	0	(362)	(22)	3,372
EDP applications & easement rights	26,844	(35)	1,554	(4,119)	1,645	(5,855)	229	20,263
Assets held under capital leases	13,462	335	0	(13,721)	0	(49)	(27)	0
Work-in-progress	7,362	0	0	0	2,676	(126)	(5,068)	4,844
Total	**108,154**	**(3,919)**	**43,098**	**(26,423)**	**10,240**	**(15,112)**	**(71)**	**115,967**

ACCUMULATED AMORTIZATION (THOUSANDS OF EUROS)								
	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Increase	Reductions	Transfers	Balance at 12/31/04
Research and development	4,158	0	0	0	2,077	(2,969)	(1)	3,265
Industrial property & gov. Concessions	11,238	(62)	786	(964)	3,659	(5,270)	(141)	9,246
Others (goodwill on merger)	3,122	35	0	(1,810)	418	0	0	1,765
EDP applications & easement rights	17,006	1	1,066	(3,204)	3,373	(5,223)	63	13,082
Assets held under capital leases	650	16	0	(758)	84	0	8	0
Total	**36,174**	**(10)**	**1,852**	**(6,736)**	**9,611**	**(13,462)**	**(71)**	**27,358**
I + D Provision	311	0	0	0	0	(311)	0	0
Total net intangible Fixed assets	**71,669**	**(3,909)**	**41,246**	**(19,687)**	**629**	**(1,339)**	**0**	**88,609**

The most significant increase in this heading, in addition to those relating to companies added to the Riviana Group consolidation scope, correspond to "Trademarks," due to the acquisition of the Risella trademark in Finland for 4,000 thousand euros. At December 31, 2004, "Trademarks" included primarily those acquired in 2003 (Reis Fit and Puleva Infantil) and those contributed by the Riviana Group in 2004 (principally the seven most important trademarks it markets).

Other relevant increases in "Intangible assets" in Puleva Food and Puleva Biotech were in "Research and Development" under "Work in progress" and relate to research into nutritional improvements and the development of new products. In several other companies or subgroups, increases can be seen in "Software," where efforts have been made to reinforce technological resources.

Reductions relate primarily to intangibles assets which were taken off the books since they were almost fully amortized and no longer in use.

At December 31, 2004 fully amortized assets amounted to 9,152 thousand euros.

7. TANGIBLE FIXED ASSETS

The composition of tangible fixed assets of the consolidated group at December 31, 2004 and their accumulated depreciation, as well as the movements recorded during the year, is shown below:

GROSS VALUES (THOUSANDS OF EUROS)	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Other Increase	Other Reductions	Transfers	Balance at 12/31/04
Land	81,829	(66)	11,600	(4,825)	3,502	(6,107)	(216)	85,717
Buildings	328,173	(2,388)	45,544	(67,843)	8,189	(19,105)	6,506	299,076
Technical installations and machinery	1,224,742	(10,508)	155,384	(209,227)	52,389	(125,571)	36,848	1,124,057
Fixtures & fittings, tools & equipment	49,792	382	538	(8,766)	2,538	(6,881)	195	37,798
Other fixed assets	30,708	(15)	1,178	(5,396)	5,505	(8,246)	5,204	28,938
Construction in progress	18,015	(397)	5,066	(843)	55,097	(1,245)	(49,043)	26,650
Total	**1,733,259**	**(12,992)**	**219,310**	**(296,900)**	**127,220**	**(167,155)**	**(506)**	**1,602,236**

ACCUMULATED AMORTIZATION (THOUSANDS OF EUROS)	Balance at 12/31/03	Exchange differences	Added to consolidation	Removed from consolidation	Increase	Reductions	Transfers	Balance at 12/31/04
Buildings	110,597	(557)	11,730	(23,651)	8,373	(9,349)	(356)	96,787
Technical installations and machinery	732,371	(2,839)	66,425	(126,622)	53,730	(87,328)	(277)	635,460
Fixtures & fittings, tools & equipment	28,320	191	306	(8,783)	3,925	(5,424)	431	18,966
Other fixed assets	20,783	13	507	(256)	3,288	(7,049)	(304)	16,982
Total	**892,071**	**(3,192)**	**78,968**	**(159,312)**	**69,316**	**(109,150)**	**(506)**	**768,195**
Provisions	2,913	190	—	(59)	614	(144)	—	3,514
Total net tangible fixed assets	**838,275**	**(9,990)**	**140,342**	**(137,529)**	**57,290**	**(57,861)**	**—**	**830,527**

The Group has a policy of taking out all the insurance policies considered necessary to cover any risks that may affect its tangible fixed assets.

At December 31, 2004, the Group had tangible fixed assets outside Spain with the following values:

THOUSANDS OF EUROS	Total
Cost	
Land and buildings	79,825
Plant and machinery	184,949
Fixtures & fittings, tools & equipment	3,054
Other tangible fixed assets	9,753
Subtotal	**277,581**
Accumulated amortization	(125,491)
Net total	**152,090**

The fully-depreciated tangible fixed assets at December 31, 2004 are indicated below:

THOUSANDS OF EUROS	Total
Buildings	5,802
Plant and machinery	241,612
Fixtures & fittings, tools & equipment	7,641
Other tangible fixed assets	6,971
	262,026

"Work in progress" and "Other increases" include amounts relating to projects aimed at manufacturing new products, as well as improving the overall quality of industrial processes and environmental conditions.

To a lesser degree, "Reductions" relate to the retirement of real estate property sold in 2004. The majority of reductions correspond principally to the renewal of the sugar grinding factory and dairy facilities following the shutdown of the former installations, and to the disposal of 39 million euros in tangible assets relating to the liquidation of a subsidiary of the Greenfields Group prior to said Group's sale.

Grants have been received from public bodies in 2004 and in previous years in connection with investments made in various Group companies. The amounts of these grants are detailed in Note 16.

Irrespective of the above, there are no tangible assets of significant value that are no used in operations.

8. FINANCIAL FIXED ASSETS

The detail of this heading and movements during the period are shown below:

THOUSANDS OF EUROS								
Concept	**Balance at 12/31/03**	**Exchange differences**	**Added to consolidation**	**Removed from consolidation**	**Other Increases**	**Other Reductions**	**Transfers**	**Balance at 12/31/04**
Equity investments in non-. consolid Group companies	8,221	0	0	0	0	0	(7,987)	234
Equity investments in cos. recorded by equity method	3,929	(240)	2,691	(2,810)	5,033	(3,881)	8,000	12,722
Loans to non-consolid. associated cos.	0	0	0	0	11,140	0	0	11,140
Other fixed-income securities	390	0	0	0	0	(49)	0	341
Other loans	21,401	(90)	854	(13,955)	13,785	(7,235)	0	14,760
Long-term deposits and guarantees	306	(5)	59	(10)	6,335	(50)	0	6,635
Provisions	(3,345)	0	0	0	(3,000)	2,420	(13)	(3,938)
Deferred tax asset (Note 22)	90,687	(846)	8,064	(3,342)	35,980	(25,913)	0	104,630
Total financial fixed assets	**121,589**	**(1,181)**	**11,668**	**(20,117)**	**69,273**	**(34,708)**	**0**	**146,524**

The 16,917 euro difference between the total of the balances added to the consolidation in the above detail and the figure shown in the detail in Note 3.3 is due to the consolidation adjustment made to eliminate equity investments indirectly held by the parent company through Riviana Foods Inc. in European subsidies in which they share control.

The transfer of 8,000 thousand euros to “Equity investments in companies consolidated using the equity method” corresponds to the reclassification of the investment in Biocarburantes de Castilla y León, S.A. which was not consolidated in 2003, but which has been consolidated in 2004, since in June 2004, the decision was made to maintain the commitment with a third party to invest in this fuel production project. In this regard, loan agreements were signed for participative loans granted by the two shareholders to Biocarburantes de Castilla y León, S.A. The portion of the loan granted by Ebro Puleva, S.A. amounted to 11,120 thousand euros. No maturity date has been established for these loans, which bear interest at Euribor plus 2 points.

The balance of “Other receivables” at December 31, 2004” is composed primarily of 11,386 thousand euros of the Puleva Food Group (finance loans made to livestock farmers) and long-term loans amounting to 1,940 thousand euros for the sale of land belonging to the parent company (guaranteed by a mortgage on the land sold). Of the total balance of this heading, 12,067 thousand euros are denominated in euros and the remaining balance in US dollars. These loans mature as of 2006, 5,877 thousand euros in 2006, 3,688 thousand in 2007, 2,194 thousand in 2008 and 520 thousand in 2009. The remaining 2,481 thousand euros mature as of 2010.

“Long-term deposits and guarantees” includes the premiums paid during the year for insurance policies relating to contractual commitments with respect to plans for dismissals, changes in management control or agreements not to compete.

The detail of shares in companies recorded by the equity method is the following:

THOUSANDS OF EUROS	
	Total
Biocarburantes de Castilla y León, S.A.	8,000
Lince Insurance, Ltd.	2,173
Riviana Foods Inc associated companies	2,369
Compañía de Melazas, S.A.	98
Ses Ibérica, S.A. (in process of liquidation)	55
CATESA associated companies	27
Total	**12,722**

9. DEFERRED CHARGES

The movements in this heading during the year are the following:

THOUSANDS OF EUROS						
	Balance at 12/31/03	**Added to consolidation**	**Removed from consolidation**	**Increases**	**Transfer to Income**	**Balance at 12/31/04**
Debt arrangement expenses	937	0	(900)	2,079	(635)	1,481
Accrual due to change in mortality tables used for calculating provision for pensions & sim. Obligations (Note 17)	4,337	0	—	0	(754)	3,583
Other deferred expenses	645	1,269	(274)	486	(541)	1,585
Total	**5,919**	**1,269**	**(1,174)**	**2,565**	**(1,930)**	**6,649**

10. INVENTORIES

The detail of this heading at December 31, 2004 is the following:

THOUSANDS OF EUROS		
Item	**Amount**	
Commercial		48
Raw materials	63,102	
Consumables and spare parts	18,318	
Containers	5,426	
		86,846
Work in progress		14,840
Finished goods		279,730
By-products and waste		19,394
Advance payments to suppliers		7,193
Total gross inventories		**408,051**
Provision for inventories		(2,019)
Total net inventories		**406,032**

Of the balance of "Advanced payments made to suppliers" in the balance sheet, 6,356 thousand euros correspond to payments made to rice growers. At year end 2004, firm purchase commitments for paddy rice amounted to 13.697 thousand euros. In addition, at year end 2004, the Riviana Group had commitments to sell products amounting to 14 million euros.

11. SHORT-TERM INVESTMENTS

11. a) Short-term investments: The balance of this heading at December 31, 2004 amounts to 88,009 thousand euros. It is composed principally of fixed-income securities (10,005 thousand euros in Ebro Puleva, S.A., 60,001 thousand euros in Azucarera Ebro, S.L. and smaller amounts in other companies) and to the value assigned to 51% of the share in Inversiones Greenfields, Ltda., as described in Note 3.3.

During the year, group companies have invested their surplus liquidity in repos during the year to increase profitability. No movement is shown for these transactions, since they correspond to reinvestment of securities upon their maturity in similar types of short-term securities, rather than actual purchases and sales. Consequently, the net movement for the year is a better reflect of the real movements for the "Short-term securities portfolio." All investments are in euros, except for an insignificant amount, which are in US dollars. The average return on these investments during the year was approximately 2% per annum.

11. b) Short-term investments in Group companies: This heading corresponds to the portion of the investment portfolio acquired as own shares by Puleva Biotech, S.A. In 2004 net purchases of sales represented a net increase of 1,497,952 shares, which means that at year end 2004, 1,957,781 shares were owned as short-term financial investments. At December 31, 2004, these short-term equity investments represented 3.29% of Puleva Biotech, S.A.'s share capital. At year end 2003, this portfolio contained a total of 3,434,036 shares, 2,974,207 of which were owned by Ebro Puleva, S.A. These shares were transferred to "Long-term investments in Group companies" and were therefore included in the 2004 consolidation.

11. c) Other accounts receivable: The balance of this heading at December 31, 2004 amounted to 10,284 thousand euros and consists primarily of short-term loans to livestock farmers amounting to 7,054 thousand euros.

12. SHAREHOLDERS' EQUITY

12.1 The amount and movements in the capital and reserves accounts of the consolidated group are shown below (thousands of euros):

	Balance at 12/31/03	Appropriation Results	Results for the year	Exchange difference	Dividend paid	Transfers and consolidation scope	Reserve for own share	Balance at 12/31/04
Subscribed capital	92,319	—	—	—	—	—	—	92,319
Share premium	34,333	—	—	—	—	—	—	34,333
Nondistributable reserves of the parent company	**26,676**	**0**	**0**	**0**	**0**	**0**	**(4,631)**	**22,045**
Revaluation reserve	3,169	—	—	—	—	—	—	3,169
Reserve for own shares	5,043	—	—	—	—	—	(4,631)	412
Legal reserve	18,464	—	—	—	—	—	—	18,464
Distributable reserves of the parent company	573,901	58,639	—	—	(46,161)	(25,237)	6,617	567,759
Reserves for companies consolidated under the full consolidation method	109,474	42,120	—	—	—	4,088	—	155,682
Exchange differences	(25,827)	—	—	(7,706)	—	21,149	—	(12,384)
Profit and loss	100,759	(100,759)	120,859	—	—	—	—	120,859
Total	**911,635**	**0**	**120,859**	**(7,706)**	**(46,161)**	**0**	**1,986**	**980,613**

12.2 At 31 December 2004 share capital consisted of 153,865,392 bearer shares with a nominal value of 0.60 euros each, fully subscribed and paid and listed on Spanish stock exchanges.

According to data published by the National Securities Market Commission, the total direct and indirect equity investment in Ebro Puleva, S.A. of companies owning more than 5% of Ebro Puleva S.A.'s share capital at December 31, 2004 are: Instituto Hispánico del Arroz, S.A. (11.50%)—6.50% directly and 5% indirectly through Hispafoods Invest, S.L.—Grupo Torras, S.A. (7.82%), Grupo Caja España (5.53%), Caja de Ahorros de Salamanca y Soria (5.00%) and Caja de Ahorros de Asturias (5.00%).

With regard to the share premium, the revised text of The Spanish Corporation Law expressly states that Company may use this account to increase share capital, and does not stipulate any specific restriction with regard to how it is to be used.

Companies that obtain profits during the year are obliged to transfer 10% of the net profit for the year to the legal reserve, until said reserve is equivalent to 20% of the capital. Except in the event of dissolution, this reserve may not be distributed, but may be used to offset losses, provided that there are no other reserves available for this purpose, and to increase the capital in the amount by which it exceeds 10% of the increased capital.

With regard to restrictions on the reserves of subsidiaries, there are legal reserves of Spanish subsidiaries amounting to 22.3 million euros, to which the regulation described in the above paragraph for the parent company is applicable. The portion of these reserves resulting from the consolidation process is included in the reserves of consolidated companies.

As a result of revaluations of assets recorded by Sociedad General Azucarera de España, S.A. and by Puleva, S.A. by virtue of Royal Decree Law 7/96, dated June 7, Revaluation Reserves were recorded amounting to 22,606 thousand euros (19,434 thousand euros of which are included in "Reserves in fully-consolidated companies"). This balance may be applied, tax free, to eliminate book losses, from previous years or the current period, or to offset any that may arise in the future and for capital increases. As from April 1, 2007 it may be transferred to freely distributable reserves, provided that the capital gain has been realized. The capital gain will be deemed realized in the part corresponding to the amortization made or when the restated assets have been transferred or written off the accounting records. If the balance of this account were to be used otherwise than as established in Royal Decree-Law 7/1996, it would become taxable.

During 2004, Ebro Puleva, S.A. has purchased and sold own shares within the limits of the authorisation granted at the general meeting of April 15, 2004, and the National Securities Market Commission (CNMV) was duly notified as required by current legislation. During the period the Company has purchased 2,408,678 shares and sold 3,198,253 shares. At year end 2004, the Company has 65,231 own shares, representing 0.04% of share capital, for which it has recorded the compulsory reserve for own shares. Pursuant to the current Spanish Corporation Law, an nondistributable reserve has been recorded for an amount equivalent to the value of own shares. This reserve will become distributable when the circumstances that required that it be recorded have disappeared. At year end 2004, the Company has not decided on a specific use for own shares.

12.3. The breakdown of reserves in consolidated companies at December 31, 2004 is as follows:

	Thousands of Euros
Azucarera Ebro subgroup companies	85,661
Rice activity subgroup companies	35,100
Puleva Food subgroup companies	30,614
Balmes 103, S.L.	1,368
Puleva Biotech, S.A.	1,024
Finebro, S.A.	836
Catesa	1,892
Beira Terrace, Ltda.	(1,444)
Jiloca Industrial, S.A.	631
Total	**155,682**

Except for an inmaterial case, all associated companies are indirectly controlled by Ebro Puleva, S.A. through other subsidiaries. Consequently, given that the related amounts are not significant, in the consolidation process the reserves of companies consolidated by the equity method have been included in reserves of fully-consolidated companies.

12.4. The breakdown by companies of the translation differences at December 31, 2004 is as follows:

	Thousands of Euros
Companies in the rice activity subgroup	(2,139)
RIVIANA Group	(10,245)
Total	**(12,384)**

12.5. Consolidated shareholders' equity includes 38,531 thousand euros corresponding to Herba Foods S.L. The distribution of these profits is subject to payment of the corresponding corporation tax. The tax is deemed to accrued as of the date on which it is resolved to make a dividend payment, which is not envisaged in the short or medium term.

13. MINORITY INTERESTS

This heading relates to the equity and results of the following companies at December 31, 2004 and the corresponding movements for the year:

THOUSANDS OF EUROS	Equity	Profit/loss	Total
Companies in rice activity subgroup	596	1,101	1,697
Companies in Puleva Food, S.L. and Lactimilk	1,743	756	2,499
Group companies Riviana Foods Inc	5,268	131	5,399
Puleva Biotech, S.A.	7,409	441	7,850
Jiloca Industrial, S.A.	708	126	834
Companies in Azucarera Ebro subgroup	823	246	1,069
Total	**16,547**	**2,801**	**19,348**

THOUSANDS OF EUROS

Company	Total 12/31/03	Changes in consolidation scope	Exchange differences	Dividend payment and others	Profit and loss of subsidiaries	Total 12/31/04
Rice activity companies subgroup	8,863	(8,267)	—	—	1,101	1,697
Puleva Food, S.L y lactimilk. subgroup companies	2,961	—	—	(1,218)	756	2,499
Sociedades del Subgrupo de Riviana Foods	0	6,419	(662)	(489)	131	5,399
Puleva Biotech, S.A.	9,489	(2,080)	—	—	441	7,850
Inversiones Greenfield subgroup companies	142,894	(145,774)	10,193	—	(7,313)	0
Jiloca Industrial, S.A.	714	—	—	(6)	126	834
Azucarera Ebro subgroup companies	820	—	—	3	246	1,069
Total	**165,741**	**(149,702)**	**9,531**	**(1,710)**	**(4,512)**	**19,348**

14. GOODWILL ON CONSOLIDATION

The movements in this heading during the year are the following:

THOUSANDS OF EUROS

Companies	Balance at 12/31/03	Changes in consolidation scope	Exchange differences	Increases	Decreases	Amortization	Balance at 12/31/04
Greenfields Group	8,657	(4,492)	849		(839)	(4,175)	0
Rice activity companies	17,781	3,852			(513)	(1,091)	20,029
Puleva Food Group (F.C. Fusión)	53,752					(7,620)	46,132
Puleva Biotech	0			5,619		(1,926)	3,693
Riviana Group	0	129,107	(643)			(2,299)	126,165
Total	**80,190**	**128,467**	**206**	**5,619**	**(1,352)**	**(17,111)**	**196,019**

The increases in the year correspond to the increase in the consolidated share in Puleva Biotech, S.A.

The abovementioned goodwill on consolidation and/or on merger is amortized on a straight-line basis over 10 years (20 years in some cases), since this is the estimated period during which said goodwill is expected to contribute to the generation of income. It is expected that this goodwill will generate profits over the aforementioned years that will at least approximate its value, including a return on investment at market rates. In addition, a substantial amount of the annual amortization of goodwill arising from the merger will be tax deductible.

15. NEGATIVE DIFFERENCES ON CONSOLIDATION

The movements during the year and the detail at December 31, 2004 of negative differences on consolidation are as follows (thousands of euros):

Companies	Balance at 12/31/03	Changes in consolidation Scope	Exchange difference	Amortization	Balance at 12/31/04
Inversiones Greenfield group	2,701	(2,754)	53		0
Rice activity companies	254	654	2	(90)	820
Azucarera Ebro Group	100				100
Total	**3,055**	**(2,100)**	**55**	**(90)**	**920**

16. DEFERRED INCOME

This heading includes principally capital grants. The detail by company of the balance at December 31, 2004 was the following

THOUSANDS OF EUROS	Importe
Azucarera Ebro Group	2,491
Companies in the rice activity subgroup	3,105
Puleva Food Group	13,213
Puleva Biotech, S.A.	934
Compañía Agrícola de Tenerife, S.A.	832
Balance at December 31, 2004	**20,575**

The movement during the period was as follows:

THOUSANDS OF EUROS	Importe
Balance at December 31, 2003	16,935
Cancellation of grants	(61)
Grants received	7,851
Transfer to income	(4,150)
Balance at December 31, 2004	**20,575**

This balance at December 31, 2004 corresponds to official capital grants awarded to various group companies for certain investment projects in tangible fixed assets. To date these companies have met all the requirements for receiving those grants.

17. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The movements in this heading in the Group during the year were the following (thousands of euros):

	Amount
Balance at December 31, 2003	20,543
Exchange differences	(370)
Changes in consolidation scope	720
Applications and payments	(2,641)
Transfers to Other Provisions	0
Provision of the year to profit and loss account	1,696
Balance at December 31, 2004	**19,948**

The breakdown by companies is as follows (thousands of euros):

	Amount
Azucarera Ebro, S.L.	12,742
Companies in the rice activity subgroup	3,316
Riviana Group	3,530
Ebro Puleva, S.A.	326
Compañía Agrícola de Tenerife, S.A.	34
Total	**19,948**

17,1 EBRO PULEVA, S.A. AND AZUCARERA EBRO, S.L.

As explained in Note 4.j), some employees of Ebro Puleva, S.A. and Azucarera Ebro, S.L. are eligible for various pension supplements previously established in internal pension funds of each company until 2002.

In accordance with prevailing legislation, these companies met their obligation to externalize their pension commitments prior to November 16, 2002, including those in the event of the death of an employee while in active service.

Azucarera Ebro S.L., a wholly-owned subsidiary of Ebro Puleva, S.A., signed a master agreement with an insurance company regulating the technical, economic and legal terms and conditions to be applied to the policies in which the pension commitments acquired in respect of employees from Azucarera Ebro Agrícolas, S.A. were instrumented in 2002, and was arranged a 10-year finance loan with the insurance company (see Note 20) at an interest rate of 6.7%, equal to that guaranteed for the first 40 years for the mathematical provisions made on the basis of the premiums of said finance loan.

Upon externalizing insurance policies, each year the relevant adjustments are made to the possible commitments that arise between the previous year and December 31 of the current year including any additional payments accrued due to salaries that differ from those used to calculate the technical bases described in the 2001 annual accounts for active employees, and the corresponding premiums paid.

As a result of the externalization of pension funds, provisions recorded as internal funds have been eliminated from liabilities. The amounts pending maturity on the financing plan with the insurance company are included on the balance sheet under "Other accounts payable," and the amount pending amortization of the change in mortality tables in 1999/2000, explained below, is included in "Deferred expenses."

The amount of 3,583 thousand euros transferred to "Deferred expenses" on the accompanying balance sheet (see Note 9), corresponds to the effect of the change in mortality tables required by law in 1999 for calculating the actuarial liability for the externalized pension fund. This amount is charged to the profit and loss accounts, as required by the Spanish Institute of Accounting and Auditing of Account, on a straight-line basis over 10 years as of the date the liability was recalculated. At December 31, 2004, there are 4,75 years left to complete this process.

The 13,068 thousand euros balance of the account at December 31, 2004 of Azucarera Ebro, S.L. plus Ebro Puleva, S.A. corresponds exclusively to the provision for commitments with personnel for which externalization is not mandatory (seniority bonuses amounting to 8,744 thousand euros) and compensation payable to certain active employees who forfeit their right to life-long life insurance policies (4,324 thousand euros). These provisions have been recorded based on calculations made by independent experts.

17,2 RIVIANA GROUP

This heading includes the provision for the indemnity payable to employees based on the years of service of the Riviana Group's Central American subsidiaries amounting to 4,641 thousand euros, calculated in accordance with actuarial studies, plus a net debit balance of 1,111 thousand euros corresponding to the defined contribution pension plan, primarily of US companies, as per the following detail (in thousand of euros):

Provision for pensions and other commitments	
Beginning balance	37,504
Allocations recorded in the year	1,507
Actuarial changes	254
Payments made in the year	(468)
Exchange differences	(4,074)
Balance at December 31 2004	**34,723**

Provision for pensions-investments	
Value at beginning of the period	(39,381)
Return on investments during the year	(1,160)
Payments made in the year	468
Exchange differences	4,239
Balance at December 31, 2004	**(35,834)**
Net balance at December 31, 2004	**(1,111)**

In addition, the Riviana Group has a defined contribution pension plan for all its US employees. The Company contributes a lump sum equal to the percentage of employee contributions. The total amount of the expense for this plan in the current year amounted to 198 thousand euros.

17.3 PULEVA FOOD GROUP

The collective labor agreement applicable to the work places in Granada, Jérez de la Frontera and Sevilla, belonging to the former Puleva, S.A., contemplates commitments corresponding to early retirement payments to employees who have been in the company for more than 10 years and request early retirement (up to a maximum of seven employees a year). In accordance with prevailing legislation, these companies externalized these commitments prior to November 16, 2002. As a result of externalizing these commitments, the former internal funds have been eliminated from liabilities.

17.4 RICE ACTIVITY GROUP COMPANIES

The collective labor agreement applicable to one of the foreign companies of this group includes personnel pension commitments. The corresponding provisions have been recorded based on calculations made by independent experts.

18. OTHER PROVISIONS

The following movements have been produced in this heading during the period:

	Thousands of Euros
Balance at December 31, 2003	113,822
Changes in consolidation scope	(30,747)
Transfers to investment provisions	(2,990)
Aplicattions	(22,563)
Allocations to results	68,602
Provisions allowances	7,172
Balance at December 31, 2004	**133,296**

The breakdown by companies is as follows:

	Thousands of Euros
Azucarera Ebro, S.L.	125,683
Ebro Puleva, S.A.	3,213
Puleva Food group	2,288
Compañía Agrícola de Tenerife, S.A.	1,678
Companies in the rice activity subgroup	434
Total	**133,296**

18,1 AZUCARERA EBRO, S.L.

The most significant amount in this heading was that contributed by Azucarera Ebro, S.L., in which the following movements took place in 2004 (thousands of euros):

	Azucarera Ebro, S.L.
Balance at December 31, 2003	81,003
Amounts applied	(11,845)
Allocations to results	49,353
Deferred tax asset from prior years	7,172
Balance at December 31, 2004	**125,683**

The final balance of this subsidiary includes principally the provisions for litigations arising from ongoing judicial proceedings and other claims filed against the company, as well as provisions for payments relating to the Modernization and Optimization of Industrial Competitiveness Plan which this company is currently implementing. This plan is primarily aimed at reducing costs and increasing the productivity of its factories to meet the production cost parameters of the most competitive UE countries in the sugar market.

The amounts applied in the year correspond mainly to dismissal indemnities recorded against the provision made at year end 2003 for the abovementioned Modernization and Optimization of Industrial Competitiveness Plan, which will continue to be carried out in 2005.

The allocations made in the year correspond, firstly, to increases in the provision for the Modernization and Optimization of Industrial Competitiveness Plan referred to above. In addition, as a result of the sentence rendered by the National Court of Justice referred to above, 40,588 thousand euros were recorded to cover the regulatory fines and storage tax. The remaining allocations correspond to the current value of interest relating to other litigation as well as other provision allowances for liabilities arising in the year.

On February 2, 2005, the National Court of Justice ruled against the Company in judicial proceedings relating to alleged fictitious transactions among factories during the 1996-1999 sugar campaigns, to correct the differences resulting from sugar stock counts. In addition to convicting the thirteen accused by the Department of Public Prosecutions and the Treasury Counsel, the Court determined that the Company is civilly liable for a total of 27 million euros plus the corresponding interest for failure to pay the regulatory fee for alleged C sugar, as well as the fee for offsetting storage expenses.

Although the Company considers that this decision is not in keeping with the law and has filed an appeal with the Supreme Court, the accounts closed at December 31, 2004 include a provision for the full amount that the Company would have to pay in the event the aforementioned sentence were confirmed.

18,2 REMAINING COMPANIES

In addition, of the remaining balance at December 31, 2004 of this account, the majority is intended principally to cover commitments assumed by the companies to settle liabilities of dormant subsidiaries that were either not consolidated or sold, as well as minor lawsuits and contingencies.

18,3 SUMMARY OF LITIGATIONS AND CLAIMS

Of this balance of 133,296 thousand euros, 119,194 thousand euros correspond to provisions recorded by Azucarera Ebro, S.L. (explained in point 18.1 above), Ebro Puleva, S.A. and CATESA, for litigations arising from ongoing judicial proceedings and other claims. The directors of the parent company do not expect that the final outcome of these proceedings will result in significant additional liabilities. The detail of the abovementioned litigations is the following (thousands of euros):

	Thousands of Euros
Tax assessments signed in disconformity	111,973
Administrative contingent liabilities	4,504
Other contingent liabilities	5,856
Balance at December 31, 2004	**122,333**

19. AMOUNTS DUE TO CREDIT INSTITUTIONS

The detail of the amounts due to credit institutions and their related maturities is the following (thousands of euros):

Loans	Total	2006	2007	2008	2009	Future years
Bank loans of Ebro Puleva, S.A.	342,395	71,570	67,706	67,706	67,707	67,706
Bank loans of Puleva Food, Group	15,026	3,522	8,787	2,631	86	0
Bank loans of Lactimilk Group	11,493	11,493	0	0	0	0
Bank loans of rice activity Group	7,256	3,006	2,375	1,875	0	0
Bank loans of Grupo Riviana	23	23	0	0	0	0
Total Long-Term Loans Consolidated Group	**376,193**	**89,614**	**78,868**	**72,212**	**67,793**	**67,706**
Bank loans of Ebro Puleva, S.A.	69,334					
Bank loans of rice activity group	53,917					
Bank loans of Azucarera Ebro, S.L. (group)	45,497					
Bank loans of Riviana Group	9,972					
Bank loans of Puleva Food, group	3,051					
Bank loans of lactimilk Group	2,916					
Bank loans of Jiloca, S.A.	48					
Total Short-Term Loans Consolidated Group	**184,735**					

The detail of the amounts due to credit institutions by currency is the following:

Currency	Thousands of Euros
Euro	258,491
US dollar	280,883
English pound	12,262
Colones y Quetzales (Costa Rica and Guatemala)	4,437
Moroccan Durham	4,855
Total	**560,928**

Short-term amounts owed to credit institutions include 1,108 thousand euros in accrued interest pending maturity and 1,023 thousand euros in discounted bills pending maturity.

"Long-term loans" recorded on the balance sheet of Ebro Puleva, S.A. reflects the syndicated loan agreement signed in November 2004. This agreement includes a) 138 million euros, the principal of which will be repaid in four half-yearly installments, the first falling due within six months from the date the loan agreement was signed, and b) 375 million US dollars (275 million euros based on the 2004 year-end exchange rate) to finance the acquisition of the Riviana group. The principal on the aforementioned amount will be repaid in eight half-yearly installments, the first of which falls due in May 2007. The annual interest applicable to the loan is linked to six-month EURIBOR plus a market differential, while the annual interest rate applicable to the loan in US dollars is linked to six-month LIBOR plus a market differential. At year end 2004, there is still an IRS on the loan in euros with a "collar" ranging from 3% and 4.9% and a "knock-in" at 2.5%. These loans are guaranteed by the subsidiaries Azucarera Ebro, S.L., Puleva Foods, S.L., Herba Food, S.L. and Herba Ricemills, S.L.

With regard to the rest of these debts, at December 31, 2004, Ebro Puleva, S.A., Azucarera Ebro Group, Rice activity companies Group and Riviana Group have credit facilities at banks with a limit of 647 million euros, 141 million euros of which have been drawn down. These credit facilities are covered by personal guarantees.

In addition, there are discount lines, foreign trade financing, issued guarantees and other bank guarantees for the following amounts (thousands of euros):

Type of financing	Credit drawn	Credit available	Total limit
Discounted bills	1,023	30,267	31,290
Bank guarantees	187,127	80,175	267,302
Foreign trade financing	0	4,953	4,953
Factoring	19,652	2,545	22,197
Total-Consolidated Group	**207,802**	**117,940**	**325,742**

The average annual interest rate on long-term loans was 2.68% for loans to the Rice Group and 2.55% for loans to the Puleva Food Group and Lactimilk Group.

The average annual interest rate on short-term loans was three-month Euribor plus 0.3 for Ebro Puleva, S.A., an average of 3.92% for the Rice Group, Euribor plus 0.10% for Azucarera Ebro, S.L., 2.55% for the Puleva Food Group, and 10% for Central American subsidiaries of the Riviana Group.

The terms of Ebro Puleva, S.A.'s syndicated loan agreement as well as those of the loan agreements of the Rivian Group stipulate solvency requirements which have been fully met at December 31, 2004.

20. OTHER LONG AND SHORT-TERM NON-TRADE PAYABLES

The most significant balances of this heading are shown below (thousands of euros):

	Long-Term	Short-Term
Azucarera Ebro, S.L.	24,864	23,042
Puleva Foods	6,384	5,333
Other companies	4,455	8,994
Total	**35,703**	**37,369**

Of the debts of Azucarera Ebro, S.L., 23,422 thousand euros (long-term) and 6,792 thousand euros (short-term) correspond to the amount pending payment on the loan granted by Banco Vitalicio to finance the externalization of the company's former internal pension fund (see Note 17.1). The loan bears interest at an annual rate of 6.7% and was granted over a 10-year period to be repaid in equal annual installments, the last of which falls due on 17 July 2010. The remaining short-term debts correspond primarily to long-term liabilities relating to fixed assets, provisions for volume discounts and short-term guarantees received.

The balances of Puleva Food, S.L correspond to debts with fixed assets suppliers.

21. GUARANTEES FURNISHED

At December 31, 2004 the following bank guarantees had been furnished ():

	Thousands of Euros
To courts and gov. institutions in respect of tax claims and deferrals	119,967
To F.E.G.A., customs & third parties as surety for normal trading operations	64,367
To banks as surety for normal trading operations	81,907
Other guarantees	14,230
Total	**280,471**

The most significant guarantee given to banks to cover the transactions of associated companies corresponds to the guarantee given by Ebro Puleva, S.A. to its associated company Biocarburantes de Castilla y León, S.A. for the syndicated loan signed by the latter with several financial institutions in November 2004. This loan was intended to finance said company's biofuel factory project. The loan totals 158 million euros, 50% of which is guaranteed by the shareholders of Biocarburantes de Castilla y León, S.A. Consequently, the maximum amount guaranteed by Ebro Puleva, S.A. is 79 million euros. However, until December 31, 2004, Biocarburantes de Castilla y León, S.A. had drawn down 45 million euros of the total loan, and therefore the proportional amount effectively guaranteed by Ebro Puleva, S.A. totaled 22.5 million euros.

With regard to the guarantees given by Puleva Food, S.L., at December 31, 2004 the mortgage placed by the Regional Government of Andalusia on certain assets valued at 6,010 thousand euros to guarantee a fully-repaid loan has not yet been cancelled.

Puleva Biotech, S.A. has provided bank guarantees for a total of 933 thousand euros, 900 thousand euros of which secure repayment of the loans subsidized by the Directorate General of Technological Policy within the Program to Foster Technological Research (PROFIT).

Certain Spanish companies of the rice group have forward foreign exchange contracts (exchange insurance) to cover the risk of exchange rate fluctuations in customer receivables. However, at the year end there were no such contracts for significant amounts.

22. TAX SITUATION

22.1. The following companies of the consolidated group file a consolidated tax return:

* Ebro Puleva, S.A. (parent company)
* Fincas e Inversiones Ebro, S.A.
* Azucarera Ebro, S.L. (group)
* Balmes 103 Gestión de Patrimonio, S.L.
* Compañía Agrícola de Tenerife, S.A.
* Puleva Food, S.L. (group)
* Lactimilk, S.L (group)
* Herba Foods, S.L.
* Herba Ricemills, S.L (group)
* Herba Nutrición, S.L
* Nomen Alimentación, S.L.
* Fallera Nutrición, S. L.

22.2. The details of the accrued taxes of the Consolidated Group for the period ended December 31, 2004 are (thousands of euros):

Accounting results before taxes			**145,346**
	Increases	**Decreases**	
Permanent differences of Group companies	46,138	43,517	2,621
Permanent differences from consolidation adjustments	25,761	17,203	8,558
Loss carryforwards of companies not in tax group			0
Application of loss carryforwards of subsidiaries		2,098	(2,098)
Adjusted accounting results			**154,427**
Temporary differences of Group companies	102,099	90,959	11,140
Timing differences from consolidation adjustments	2,367	1,777	590
Application of loss carryforwards of subsidiaries		595	(595)
Tax result (taxable income) of Economic Group			**165,562**

	Accrued
Average corporation tax rate (several countries) 33.44%	51,648
Deductions applied	(21,969)
Tax payable	**29,679**
Permanent establishment tax	22
Exchange differences	(190)
Cancellation of deferred tax assets	(1,345)
2003 tax payment	833
Total corporation tax	**28,999**

Loss carryforwards correspond principally to Puleva Food, S.L. as a permanent difference and to Compañía Agrícola de Tenerife, S.A. as a temporary difference.

The temporary differences of companies relate principally to transactions of Azucarera Ebro S.L. and correspond to the recording or application for tax purposes of provisions released or recorded in the year, and other minor differences. Those relating to Ebro Puleva, S.A. correspond to allowances to and/or releases of provisions for fixed assets and investments that are nondeductible/deductible in the year. Those corresponding to the Greenfields Group relate to provisions for fixed assets which are not deductible in the year in terms of their aggregate income and expenses up to November 30.

Permanent differences correspond principally to the monetary adjustment of fixed assets sold in the year, to tax depreciation already calculated for accounting purposes in previous years and the application, for tax purposes, of investment losses. Lastly, permanent differences from consolidation adjustments relate primarily to the elimination of dividends and provisions between companies of subgroups that belong to the same tax group.

Deductions from tax payable correspond principally to investments in environmental activities, the development of new products and reinvestment of profits in the sale of fixed assets and deductions for export activities (investment in foreign companies). The amount that must be reinvested to be eligible for deductions for reinvestment is 65 million euros (25 million and 33.6 million euros, respectively, in 2003 and 2002, amounts which were already reinvested by the tax group in 2003 and 2002). In addition, the Company has met all other requirements necessary to take these deductions.

22.3. Movements in deferred tax assets/liabilities (thousands of euros):

	Deferred Tax	
	Asset	**Liability**
Balance at December 31, 2003	90,687	25,429
Exchange differences	(846)	(4,084)
Changes in consolidation scope	4,722	33,389
Adjustments for the year	4,093	(1,345)
Generated during the year	31,887	11,169
Applied during the year	(25,913)	(2,203)
Balance at December 31, 2004	**104,630**	**62,355**

22.4. Deferred tax assets and liabilities by company (thousands of euros):

	Deferred Tax	
	Asset	**Liability**
Ebro Puleva, S.A.	28,920	9,025
Companies in the rice activity group	1,159	5,974
Azucarera Ebro, S.L. (group)	58,886	11,125
Riviana Group	6,982	34,009
Puleva Food, (group)	7,009	1,946
Lactimilk Group	515	0
Compañía Agrícola de Tenerife, S.A.	208	0
Puleva Biotech, S.A.	951	276
Balance at December 31, 2004	**104,630**	**62,355**

22.5. At December 31, 2004 Group companies had no significant tax carryforwards pending application.

22.6. Ebro Puleva, S.A. is open to inspection for the following years and taxes (it should be taken into account that the years subject to review by the tax authorities are those of Arrocerías Herba, S.A. and the company formed as a result of the various mergers carried out by Ebro Puleva, S.A. in prior years):

	From the year	
Tax	HERBA	EPSA
Corporation tax	99/2000	99/2000
Value added tax	2000	2000
Personal income tax	2000	2000
Others	2000	2000
Special tax	2000	2000

In February 2004 the inspection that was being carried out of all taxes to which Puleva, S.A. is liable for the years 1998 to 2000 was completed. As a result of this inspection, tax contingencies were raised amounting to 1,832 thousand euros, which were signed in conformity and the related provision applied. This provision was recorded in the annual accounts of Puleva Food, S.L., a wholly-owned subsidiary of Ebro Puleva, S.A., since this company has assumed the tax obligations of the dissolved Puleva, S.A.

On February 14, 2005, the tax authorities notified all the Group companies of the Ebro Puleva, S.A. tax group that an inspection would begin for corporation tax for fiscal years 1999-2003 and for remaining taxes for fiscal years 2001-2003. The remaining Group companies are open to inspection of all taxes as per the prevailing regulations of each country.

23. TRANSACTIONS WITH NON-CONSOLIDATED AND ASSOCIATED GROUP COMPANIES

The transactions with non-consolidated group and associated companies carried out during the year are not significant, except for those described in Notes 8 and 21 relating to loans and guarantees granted by Ebro Puleva, S.A. to Biocarburantes de Castilla y León, S.A.

24. INCOME AND EXPENSES

A) The distribution of net turnover among the various group activities is as follows (income and expenses of the Greenfields Group correspond to an eleven-month period):

	Thousands of Euros
Sugar	823,682
Rice	573,440
Dairy	490,255
Frozen, tinned & jarred foods	22,331
Agricultural products	35,743
Fruit and vegetables	30,744
Others	145,538
Total	**2,121,733**

The distribution of net turnover by geographical markets is as follows:

	Thousands of Euros
Spain	1,314,975
Rest of EU	349,155
USA	88,535
Central America	30,250
Other OCDE	13,717
Chile	278,144
Mercosur	1,213
Rest of the world	45,744
Total	**2,121,733**

The volume of transactions carried out in currencies other than the euro was the following:

	Thousands of Euros
Amount Purchases	273,832
Sales	444,265
Services rendered	416
Services rendered	47,580

B) The detail of purchases of commodities, raw materials and other materials and movement in stocks is the following:

	Thousands of Euros
Purchases of commodities	146,091
Purchases of raw materials and others	1,156,109
Other external expenses	44,599
Change in inventories	(22,058)
Total	**1,324,741**

C) Other extraordinary items

The details of other extraordinary items of the period are the following:

Income	Thousands of Euros	
Profit from disposal of fixed assets-buildings		62,206
Profit from disposal of fixed assets-Other assets		930
Profit from transactions carried out with own shares		1,265
Capital grants transferred to income of the year		4,150
Other extraordinary income		7,672
Overprovisions	1,867	
Insurance indemnities	528	
Reduction as per Puleva S.A.'s payments moratorium creditors' agreement	1,452	
Refund of storage tax	1,181	
Sundry Greenfields	1,047	
Other (Dairy food business)	380	
Other concepts (Rice business)	982	
Others	235	
Total extraordinary income		**76,223**
Expenses		
Losses on fixed assets		12,025
Change provisions tangible & intang. fixed assets & securities portfolio		356
Losses on disposal of shares in fully-consolidated companies		5,120
Losses on transactions with own shares		4
Other extraordinary expenses		89,741
Provision for litigations and claims	46,079	
Modernization Plan	10,491	
Shutdown of factory in Brazil and other (Greenfield Group)	20,533	
Extraordinary indemnities	7,088	
Tax assessments paid	2,337	
Other (Rice business)	502	
Other (Dairy food business)	1,931	
Other concepts (Rice business)	732	
Other	48	
Total extraordinary expenses		**107,246**
Net extraordinary loss		**(31,023)**

D) The distribution of personnel costs among Group companies in 2004 is the following (thousands of euros):

	Amount
Wages and salaries	164,086
Social security contributions	30,626
Indemnities	1,211
Other welfare charges	18,551
Total personnel costs	**214,474**

The average number of employees of Group companies during the year was the following (following changes made to the consolidation scope during the year):

	Permanent	Temporary	Total
Executives	223	0	223
Middle management	728	51	779
Administrative staff	989	45	1,034
Clerks	47	46	93
Sales people	520	12	532
Other	2,610	1,415	4,025
Total	**5,117**	**1,569**	**6,686**

E) Results contributed to consolidated profit.

The results shown in the first detail of Note 2 relate to the amount declared by each of the subgroups or subsidiaries. These results are shown together with the dividends that each of the subgroups or subsidiaries has recognized in its profit and loss account and they are recorded as profits of the respective parent companies. The difference between these results and those shown as the consolidated profit for the year in the accompany consolidated profit and loss account corresponds to the profit of the parent company, including dividends received on account of profit for the year of each of the subsidiaries, net of 3,187 thousand euros corresponding to other consolidation adjustments, whose distribution among the various companies or consolidated subgroups would not significantly modify that shown in the detail in Note 2.

25. OTHER INFORMATION

25.1. The detail of total remuneration received by the directors of Ebro Puleva, S.A. in all the companies of the Group during 2004 totaled 4,283 thousand euros, as per the following detail (thounsandsof euros):

	2004	2003
Expenses	185	145
Share under bylaws	1,134	1,167
Total external board members	**1,319**	**1,312**
Wages, salaries and professional fees	2,663	3,562
Life and retirement insurance	301	296
Total executive directors	2,964	3,858
Total directors' emoluments	**4,283**	**5,170**

In addition, 2,657 thousand euros in indemnities were paid for expiration of contracts in 2004 that were not paid in 2003.

The current bylaws of the Company establish a share of 2.5% in the net profit for the year, provided that the legal reserve has been covered and the necessary amount has been set aside to pay the shareholders a dividend of 4% of the paid-up capital. At the Board of Directors meeting held on 26 January, 2005, the directors resolved to propose the reduction of that share to 1,55% of the profit for the year, effective as of the 2004 financial year.

The members of the Board of Directors perform executive functions for which they do not receive any travel and subsistence allowance under the terms of their respective contracts. The amounts to which they would have been entitled, according to the bylaws, are not shared out among the other directors, but are withheld in the company.

Several members of the Board who have executive duties within the Company are beneficiaries of a supplementary life and retirement insurance policy, amounting to 301 thousand euros annually, in accordance with the Company's bylaws.

The Company has not granted any loans or advances to Board members or furnished any guarantees or sureties on their behalf.

In addition, the directors of Ebro Puleva, S.A. have significant shares in companies with activities that are the same, similar or complementary to those carried out by the Ebro Puleva Group, as per the following detail:

* Mr. Antonio Hernández Calleja owns a direct 11.11% share of Instituto Hispánico del Arroz, S.A. and a 33.33% indirect share together with other close family members. He also indirectly owns a 3.62% share in Casarone, a Uruguayan company, and 10.65% indirectly with immediate family members. Both companies are devoted to the rice business.

* Close family members of Mr. Elías Hernández Barrera directly own 33.33% of the Instituto Hispánico del Arroz, S.A. This Board member also indirectly owns a 1.58% share of Casarone, and 10.65% indirectly with close family members. Both companies are devoted to the rice business.

* Caja de Ahorros de Salamanca y Soria owns the following shares: 49% of Hacienda Durius Alto Duero, S.A. and 40% of Jamones Burgaleses, S.A

* Corporación Caixa Galicia, S.A. owns 5.002% of Bodegas Terras Gauda, S.A. and 10% of Pescanova, S.A.

The directors which hold positions or perform functions in these companies are: Mr. Antonio Hernández Callejas, as the Attorney in-fact of the Instituto Hispánico del Arroz, S.A.; Caja de Ahorros de Salamanca y Soria, as a Board Member of Hacienda Durius Alto Duero, S.A. and Jamones Burgaleses, S.A.; and Corporación Caixa Galicia, S.A., as a board member, Bodegas Terras Gauda, S.A. and Pescanova, S.A.

The above information does not include the shares or positions held by the Company's directors in other companies of the Ebro Puleva Group, since such investments and positions are not bound by the premise of duty of loyalty, but rather are part of the administrative structures of Group companies. In any case, the information on positions held in other Group companies is included in the Annual Report on Corporate Governance of Ebro Puleva, S.A. as required by Circular 1/2004, dated March 17, of the National Securities Exchange Commission and in Ministerial Order 3050/2004, dated September 15, of the Ministry of Economics and Finance.

In 2004 the directors of Ebro Puleva, S.A. have not carried out any transactions with Ebro Puleva Group companies other than those pertaining to said companies' normal course of business, nor has it conducted any transactions which were not at arm's length.

25.2. ENVIRONMENTAL INFORMATION

In keeping with its environmental policy, the Group has been carrying out various activities and projects aimed at managing environmental resources in order to comply with prevailing legislation. It continues to implement advanced environmental, food hygiene and safety control policies which respect both the environment and social issues. These projects are designed to provide sustained development based on the concepts of prevention and ongoing innovation.

Business activities relating to the sugar, rice and dairy product industries require important investments to manage and monitor the related environmental risks. Such investments also lead to increased production capacity of installations and machinery, which are capitalized and depreciated on a straight-line basis over their estimated useful lives.

However, the Group has made a concerted effort in recent years, especially with regard to proper control of sewage waste, gas and dust emissions, as well as solid and organic waste. In fact, we are not aware of any significant contingencies with regard to compliance of current environmental protection regulations.

In 2004 the Azucarera Ebro Group invested 11.2 million euros in environmental assets (as a complement to the 37 million euros invested in 2003 and 2002). The investments of this type capitalized at December 31, 2004 amounted to 104 million euros. In 2004 the Group continued to invest heavily in environmental protection at all of its factories (all of which had full or partial positive effects). This substantial investment has led to energy savings, a reduction in effluents and emissions, etc., and excellent results from external audits and government inspections. Among the most significant actions taken were: The building of a new effluents basin; remodeling of the Rinconada basin; acquisition of new gas washers in Rinconada, Guadalete and La Bañeza, new pulp dryers in Guadalete, etc. In 2004 the Ministry of Agriculture granted Azucarera Ebro the "2003 Best Spanish Food Company" in the environmental category.

The volume of investments and expenses of the remaining group companies is considerably lower. Expenses for external environmental management services totaled 4,331 thousand euros, and the tax deductions applied amounted to approximately 1,600 thousand euros.

Lastly, several Group companies have contracted a civil liability insurance policy against damage caused to third parties by sudden accidental contamination and they consider that the policy adequately covers any risk in this regard.

25.3. AUDIT FEE

"External services" in the profit and loss account correspond to the fee paid to the auditors of the consolidated annual accounts. The total fee paid in 2004 for the audit of the annual accounts of Ebro Puleva Group companies amounted to 1,267 thousand euros. Of this amount, the audits performed by the main auditor (Ernst & Young and its international network) amounted to 895 thousand euros.

In addition, the Ebro Puleva Group engaged Ernst & Young companies to provide non-audit related services amounting to 860 thousand euros, 165 thousand euros of which relate to the special limited review of the consolidated financial statements for the first semester of 2004 and 462 thousand euros correspond to Due Diligence work performed for the acquisition of companies.

26. POST-BALANCE SHEET EVENTS

* As explained in Note 22.6, on February 14, 2005, the tax authorities notified all the Group companies of the Ebro Puleva, S.A. tax group that an inspection would begin for corporation tax for fiscal years 1999-2003 and for remaining taxes for fiscal years 2001-2003.

* Legal proceedings concerning allegedly fictitious movements between factories belonging to the former companies Ebro Agrícolas Compañía de Alimentación, S.A., Sociedad General Azucarera de España, S.A and the company resulting from the merger of those two companies during the sugar campaigns of 1996/97, 1997/98 and 1998/99 have been underway for the last four years. These proceedings have been reported to the market in successive significant events. On February 4, 2005, Section 4 of the Criminal Court of the Spanish National Court of Justice found against Azucarera Ebro, S.L. and ordered it to pay a total of around 27 million euros plus interest for civil liability arising from non-payment of regulatory tax and for compensation for storage expenses.

* In the accompanying annual accounts the above mentioned liability and all interest until December 31, 2004, is fully covered by a provision. This means that no further provision is required to cover Azucarera Ebro, S.L.'s civil liability in this litigation, with the logical exception of interest accruing in the future until the aforementioned amount is paid, in the event that the judgment

eventually becomes final. The company has prepared and filed an appeal against the judgment with the Supreme Court on the grounds that it considers the judgment unlawful.

* In a meeting held on February 23, 2005, the parent company's Board of Directors approved the proposed closure of the dairy plant at Jerez (Grupo Lactimilk) in order to start formal closure proceedings with workers' representatives in the near future. Dairy production facilities are currently being reorganized with a view to achieving greater logistical efficiency by increasing production in the plants closest to their supply sources.

* In a meeting held on February 23, 2005, Ebro Puleva S.A.'s Board of Directors agreed to make an irrevocable offer to buy 100% of Panzani for 337 million euros. In accordance with French legislation, this offer is subject to consultation with the legal representatives of the workforce and to the approval of the French and German competition authorities. The irrevocable offer is for all Panzani's shares and partial acceptance is not an option. The offer will expire three months after the sellers (three investment funds and the company's own management team) are notified. Panzani is a major French company occupying a leading position in several sectors of the French food market through its various brands. At January 31, 2005, its debt stood at 302 million euros, so the total cost of the transaction to Ebro Puleva would be around 639 million euros

  On March 4, 2005, the representatives of the workforce formally declared that they do not oppose the transaction. On March 24, Bundeskartellamt gave their go ahead for the transaction.

  If this acquisition takes place, it will give Ebro Puleva a major brand presence in the French food market. This will increase the contribution of branded businesses to the Group as a whole and reduce the relative importance of the sugar business, while increasing the importance of our international businesses. All of which outcomes are perfectly aligned with the company's strategy of profitable growth, diversification and internationalization.

* In accordance with mercantile legislation, in particular, EC Regulation No. 1606/2002 of the European Parliament and of the Council of June 19, 2002 on the application of international accounting standards, and with the Eleventh Provision of Law 62/2003, dated December 30, on tax, administrative and corporate measures, Ebro Puleva, S.A. must prepare consolidated annual accounts as of January 1, 2005, in conformity with the International Financial Reporting Standards (IFRS) adopted by the European Union.

  Consequently, the 2005 consolidated annual accounts will be the first to be prepared by Ebro Puleva, S.A. under IFRS.

  IFRS require that, except in the cases established in IFRS 1, the comparative data for 2004 included in the Group's 2005 consolidated annual accounts must be prepared in conformity with IFRS. This will represent changes in the valuation, classification, and presentation of certain 2004 balance sheet and profit and loss account headings presented in accordance with generally accepted accounting principles and criteria in Spain. In addition, IFRS require that the Company include certain reconciliations in the 2005 consolidated annual accounts to reflect the accounting impact of the conversion on consolidated capital and reserves at the beginning and end of 2004 as well as on consolidated results for that year.

The Ebro Puleva Group is developing an IFRS conversion process and is analyzing the related accounting effects as well as the effects on other related processes, e.g. information systems. The final accounting effects, which will depend, among other factors, on the available options chosen by the directors and on the new standards or final interpretations adopted by the European Union, will be described in detail in the 2005 annual accounts.